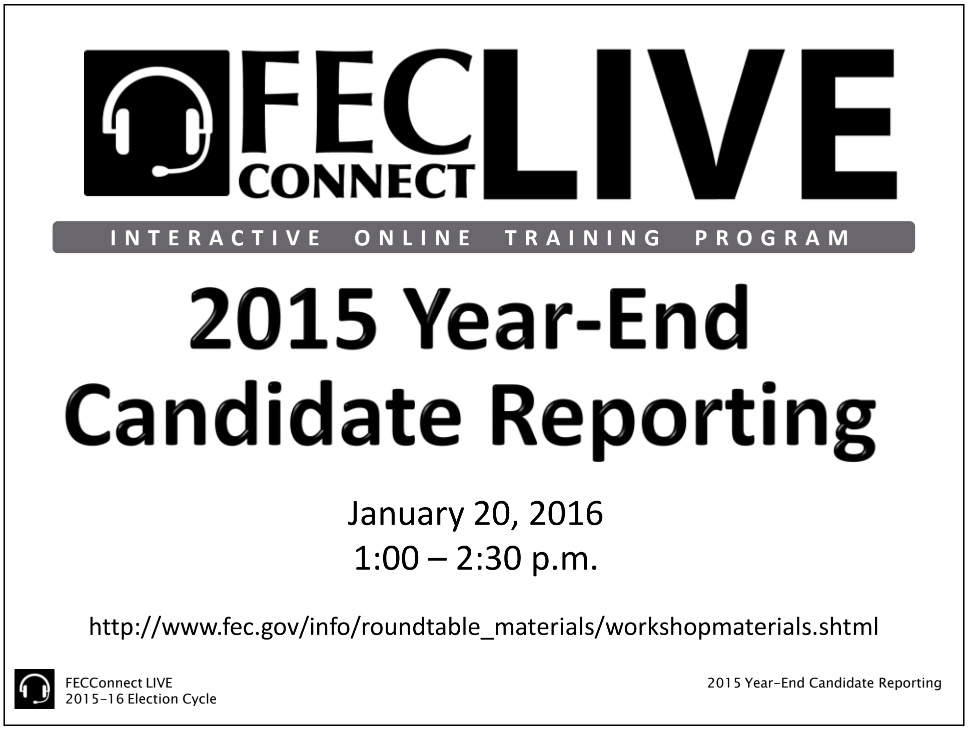
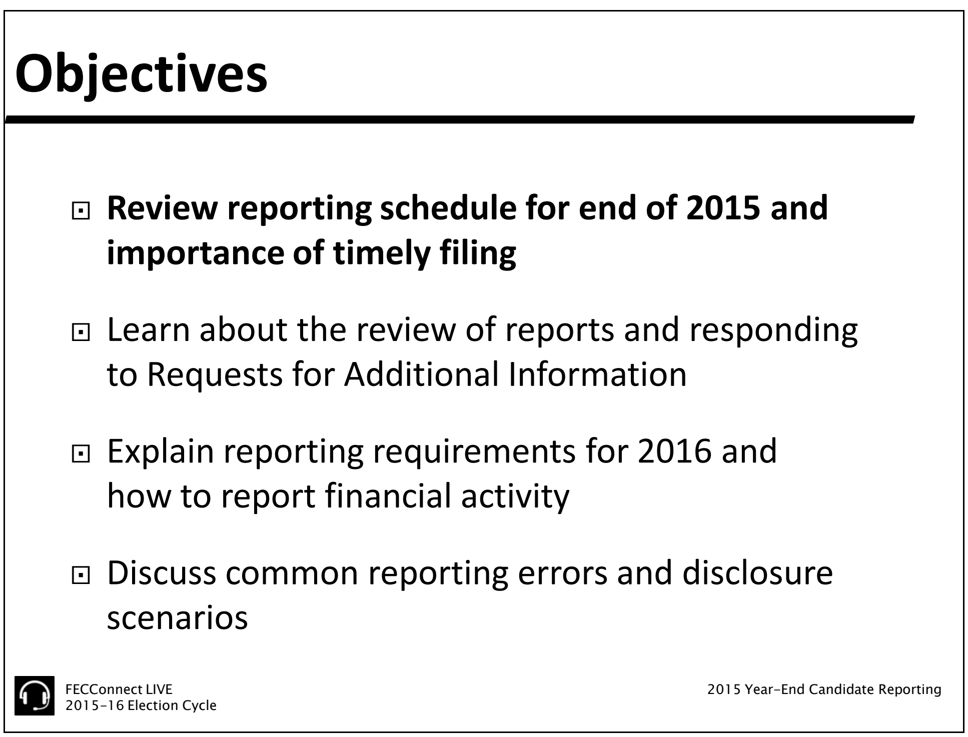

FEC CONNECT LIVE
INTERACTIVE ONLINE TRAINING PROGRAM
2015 Year-End
Candidate Reporting
January 20, 2016
1:00 – 2:30 p.m.
http://www.fec.gov/info/roundtable_materials/workshopmaterials.shtml
FECConnect LIVE
2015-16 Election Cycle
2015 Year-End Candidate Reporting


Objectives
Review reporting schedule for end of 2015 and importance of timely filing
Learn about the review of reports and responding to Requests for Additional Information
Explain reporting requirements for 2016 and how to report financial activity
Discuss common reporting errors and disclosure scenarios
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2015-16 Election Cycle
2015 Year-End Candidate Reporting

I. Reporting Schedules and the Importance of Timely Filing

2015 Reporting Schedule

Reports	Coverage Dates	Due Date
April Quarterly	01/01/2015 – 03/31/2015	04/15/2015
July Quarterly	04/01/2015 – 06/30/2015	07/15/2015
October Quarterly	07/01/2015 – 09/30/2015	10/15/2015
Year-End	10/01/2015 – 12/31/2015	01/31/2016

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

A. 2015 Reporting Schedule (Non-Election Year)

1. **House/Senate Campaigns.** Quarterly filing is mandatory for authorized campaign committees in all years.
2. **Presidential Campaigns.** Presidential campaign committees may file monthly or quarterly during non-election years.
3. **Quarterly Filing Schedule (Non-Election Year):**
   a) Quarterly reports due April 15, July 15, October 15 and **January 31**.
   b) No additional pre-election reports in non-election years (unless candidate participates in a special election).

Tip: *You can find information on reporting deadlines by visiting http://www.fec.gov/info/report_dates.shtml.*

Filing on Time

- No Extensions
  - Filing dates not extended for weekends or holidays
  - Must be received on business day preceding filing date
- Registered/Certified vs. Overnight Mail
  - If filing using USPS registered/certified mail, keep receipt
  - "Overnight Mail" means next-day express or priority mail with delivery confirmation or overnight service with online tracking system

    Same terms as registered/certified mail (Keep receipt/tracking number)

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

B. Paper Filers

1. Other Reporting Considerations for Paper Filers

a) Statute Prohibits Extensions (Applicable to Paper and Electronic Filers).

b) Weekends and Holidays

Filing dates not extended for weekends or holidays. Must be filed on or before business day preceding filing date**.**

c) Registered vs. Overnight Mail

(1) If filing using USPS registered mail, keep receipt.

(2) "Overnight Mail" means next-day express or priority mail with a delivery confirmation or an overnight service with an online tracking system. File using same terms as certified/registered mail (keep receipt/tracking number).

Administrative Fine Program

- Civil money penalties for filing late, or not filing at all
- Size of fine depends on various factors (including level of financial activity and prior Administrative Fines assessed)
- Penalty calculator on FEC website at *http://www.fec.gov/af/af_calc.shtml*

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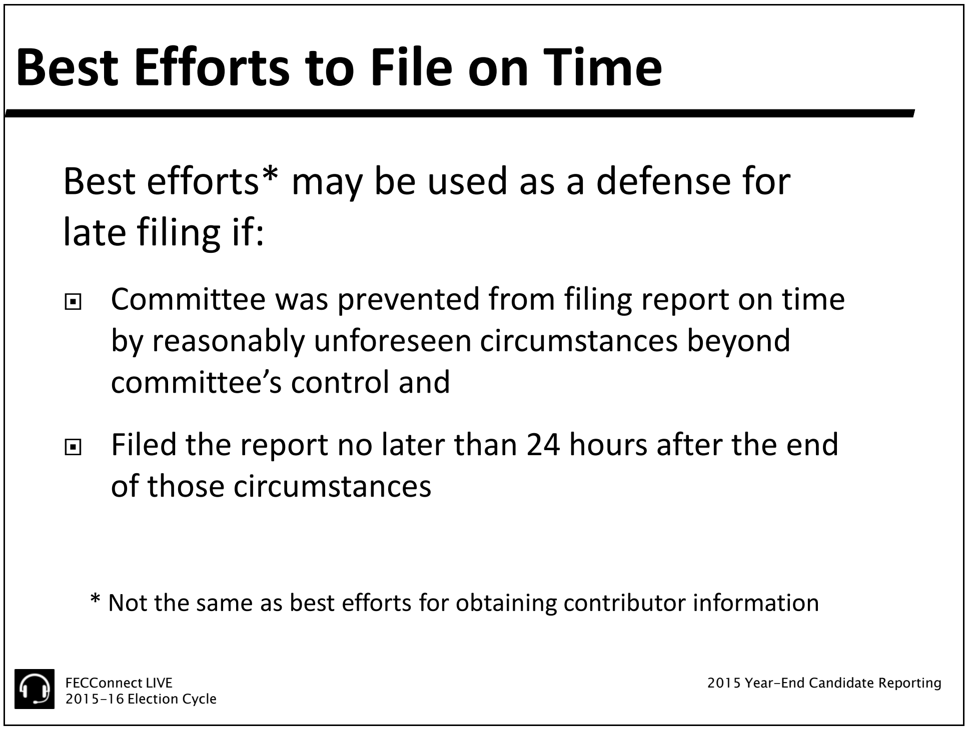
2015-16 Election Cycle

2015 Year-End Candidate Reporting

C. **Administrative Fines Program (AFP)** (Campaign Guide for Congressional Candidates and Committees ("Guide"), pp. 82-83)

1. **Background**
   Program for assessing civil money penalties for violations for failure to file reports on time and/or at all.
2. **Applies to:**
   a) Late filers
   b) Non-filers
   c) Regulations found at 11 CFR 111.30-111.45
3. **Civil Money Penalties -- Factors in determining**:
   The interaction of several factors will determine the size of the penalty (also see calculator on website at http://www.fec.gov/af/af_calc.shtml).



D. **Timely Filing/Using Best Efforts** (not the same as "best efforts" for obtaining contributor information)

1. **Reports required on time**; no extensions.
2. **If report not filed on time**, committees may use "best efforts" defense if committee took normal precautions and trained staff, but failure to report was due to <u>circumstances beyond committee's control</u> and the late report was filed within 24 hours after those circumstances ended (pursuant to April 2007 revisions to AFP regulations).

Best Efforts to File on Time

Committee may use best efforts defense if late filing is due to:

- Failure of FEC computers/Commission-provided software, despite committee seeking technical assistance from FEC personnel and resources
- Widespread disruption of information transmissions over internet
- Severe weather or other disaster-related event

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

3. When can best efforts defense be used:

a) Committee may use best efforts defense if failure to report is due to failure of Commission computers or software, despite receiving Commission technical assistance, widespread disruption of information transmissions over the internet, or severe weather or other disaster-related event.

Best Efforts to File on Time

Committee may **not** use best efforts defense if late filing is due to:

- Negligence;
- Illness, inexperience or unavailability of treasurer or committee staff;
- Committee computer, software or ISP failures;
- Delays caused by committee vendors/contractors;
- Failure to know filing dates; or
- Failure to use filing software properly.

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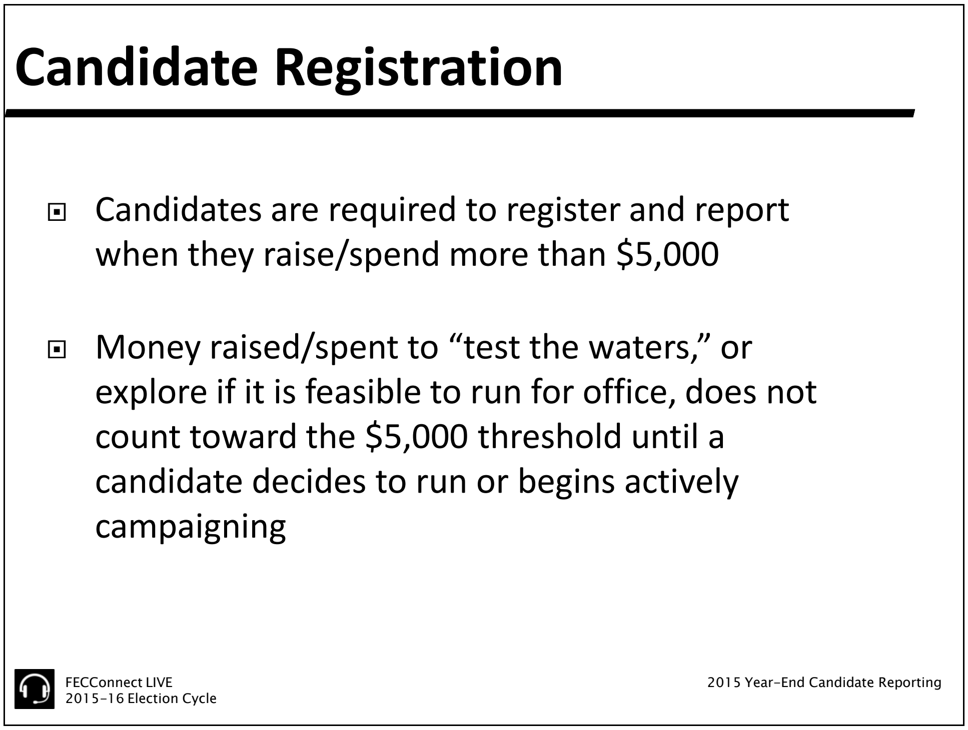
2015-16 Election Cycle

2015 Year-End Candidate Reporting

b) Committee may not use best efforts defense if failure to report is due to unavailability, inexperience or negligence of staff, counsel or organization, failure of committee's computer system, delays caused by vendors, failure to understand or know the law or failure to use filing software properly.

4. **For more information, review:** http://www.fec.gov/law/cfr/ej_compilation/2007/notice_2007-7.pdf (rules) and http://www.fec.gov/law/cfr/ej_compilation/2007/notice_2007-13.pdf (policy statement) and the May and July 2007 *Record* issues.

II. Candidate and Campaign Committee Registration



A. "Testing the Waters"

1. Individuals can "test the waters," or explore if it is feasible to run for office, by conducting activities such as polling, making phone calls, or traveling around the district, and raising money to pay for this activity under the federal contribution limits.
2. Individuals conducting solely "testing the waters" activity are not required to register and report, even if they raise/spend more than $5,000.
3. **Examples of campaigning:**
   a) Making or authorizing statements referring to yourself as a candidate ("Smith in 2016" or "Smith for Senate").
   b) Using general public political advertising to publicize your intention to campaign.
   c) Raising more money than what is reasonably needed to test the waters or amass funds (seed money) to be used after candidacy is established.
   d) Conducting activities over a protracted period of time or shortly before the election.
   e) Taking action to qualify for the ballot.

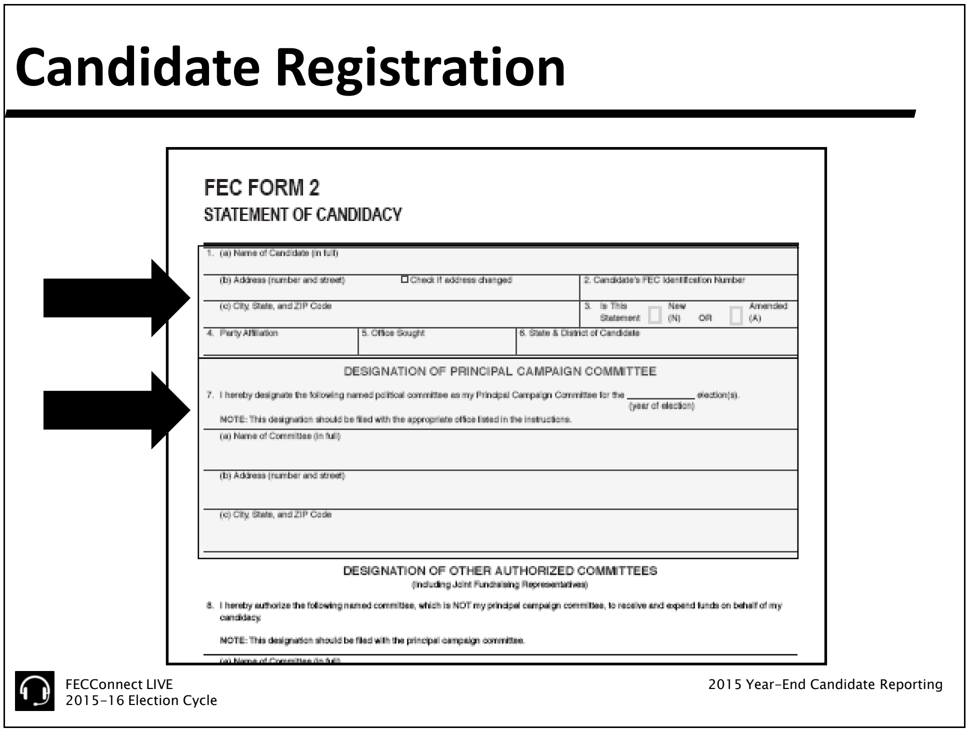
Reporting Exploratory Activity

- Once an individual becomes a candidate, funds raised or spent to test the waters apply to the $5,000 threshold
- All money raised and spent in the exploratory period has to be reported on the first FEC report (beginning coverage date should be the date of first financial activity)

FECConnect LIVE
2015-16 Election Cycle

2015 Year-End Candidate Reporting

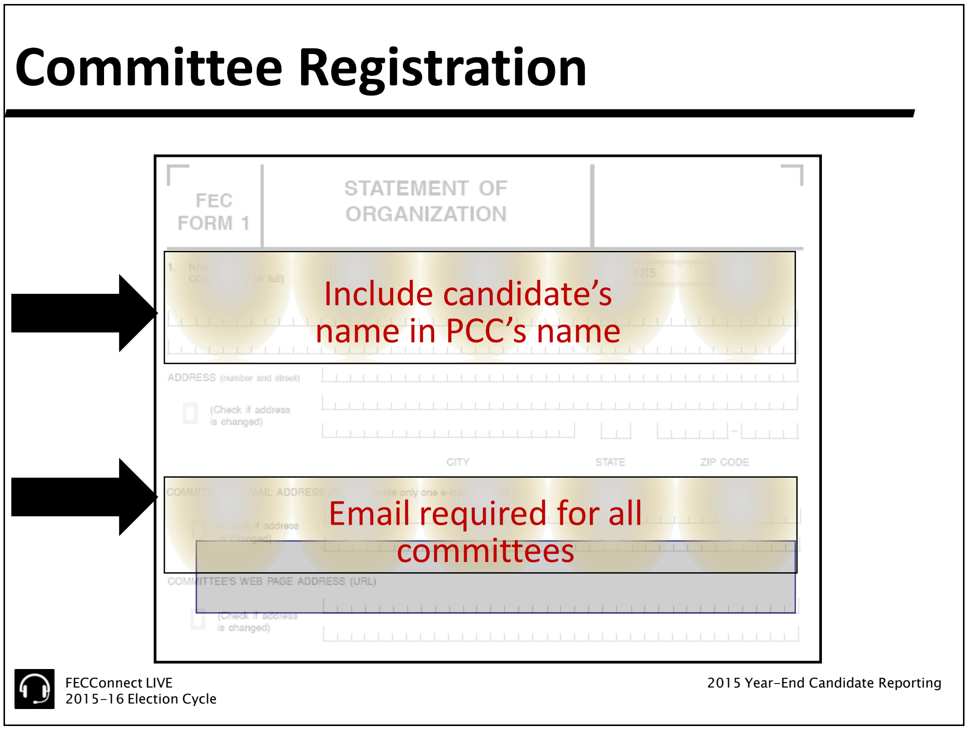
4. Once an individual becomes a candidate, funds raised or spent to test the waters apply to the $5,000 threshold. All money raised and spent in the exploratory period has to be reported on the first FEC report (beginning coverage date of the report should be the date of first financial activity).



B. **Candidate Registration**

1. File Statement of Candidacy (FEC Form 2) within 15 days after candidate raises/spends $5,000.
2. **Requirements**

   Candidates must remember to fill out the following:
   - Candidate name (Line 1);
   - Mailing address (Line 2);
   - If the statement is new or an amendment (Line 3);
   - Party affiliation (Line 4);
   - Office sought (Line 5);
   - State and district - if applicable (Line 6); and
   - Designation of their principal campaign committee and the year of the election (Line 7).



C. Committee Registration

File Statement of Organization (FEC Form 1) within 10 days of establishment.

1. Name and Address of Committee (Line 1)

a) Use Committee's Official Name on:

(1) FEC reports and statements.

(2) Disclaimer notices for public advertising.

b) E-Mail Address(es)

(1) Committees must include their e-mail address (up to 2 email addresses).

(2) Required for electronic filers.

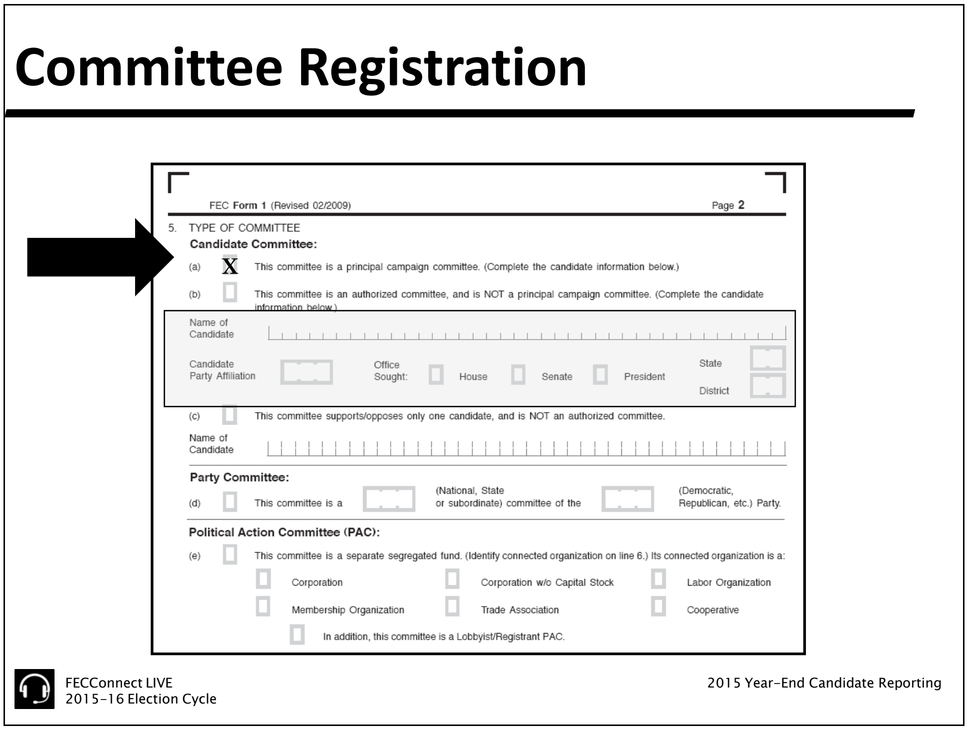
(3) It is important to have a current email address(es) on Form 1 to receive RFAIs, reporting reminder notices, and other courtesy materials.

c) Website

URL required if committee has web page.

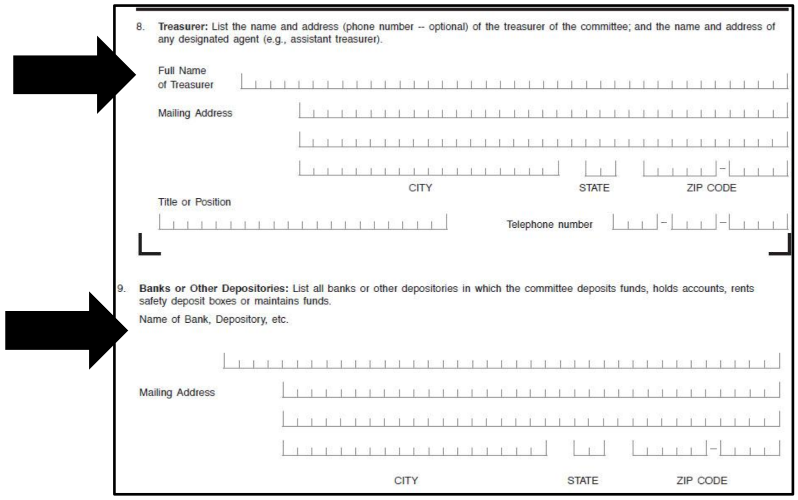
2. Amendments (Line 4)

Amend Statement of Organization when necessary within 10 days of change. Remember to notify the FEC of address and treasurer changes by filing an amended Form 1.



3. Type of Committee (Line 5)
Fill in name of candidate, party affiliation and state and district information.

Committee Registration


8. **Treasurer:** List the name and address (phone number -- optional) of the treasurer of the committee; and the name and address of any designated agent (e.g., assistant treasurer).

Full Name of Treasurer

Mailing Address

CITY STATE ZIP CODE

Title or Position

Telephone number

9. **Banks or Other Depositories:** List all banks or other depositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds.

Name of Bank, Depository, etc.

Mailing Address

CITY STATE ZIP CODE

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

4. **Treasurer (Line 8)**
   Designate a treasurer for your campaign committee
5. **Bank Depository (Line 9)**
   Fill in information about the banking institution that houses the campaign committee's account

Objectives

- Review reporting schedule for end of 2015 and importance of timely filing
- **Learn about the review of reports and responding to Requests for Additional Information**
- Explain reporting requirements for 2016 and how to report financial activity
- Discuss common reporting errors and disclosure scenarios

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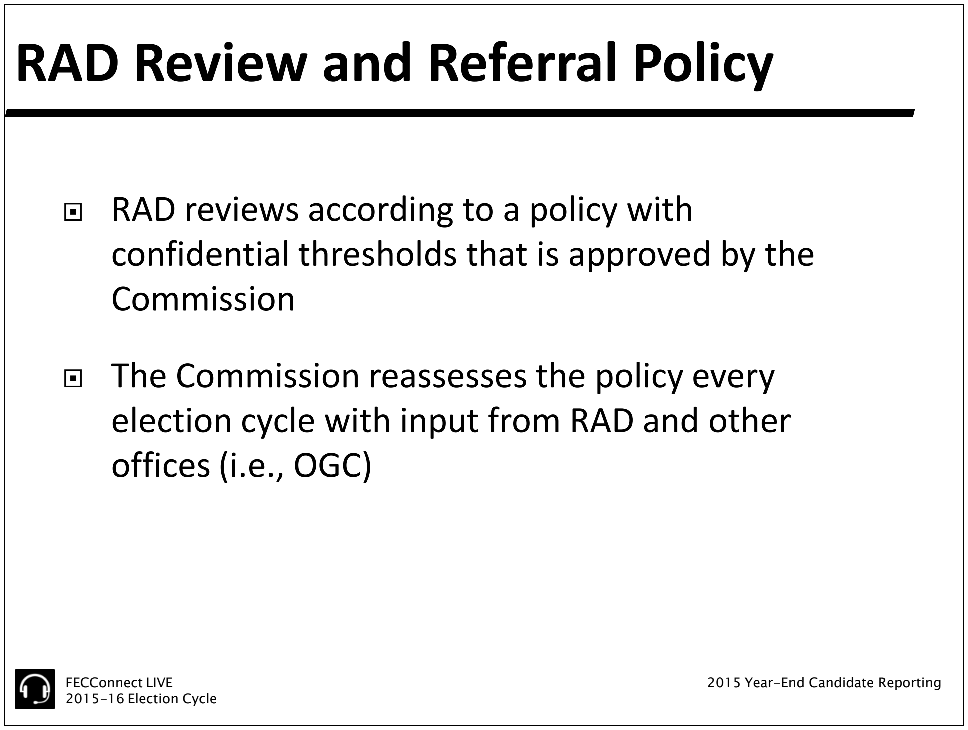
2015-16 Election Cycle

2015 Year-End Candidate Reporting

III. Importance of Responding to Requests for Additional Information (RFAI)



A. RAD Review of Reports

1. RAD Review and Referral Policy

a) Policy is reassessed every election cycle and revisions/changes made based on input from RAD and other offices (such as OGC), and Commissioners. A redacted version of the RAD Review and Referral Policy can be found on the RAD web page.

RAD Review and Referral Policy

- Categories of review include:
  - Prohibited, Excessive and Impermissible Contributions
  - Mathematical Discrepancies
  - Failure to Provide Supporting Schedules
  - Improper Itemization of Individual Contributions
  - Improper Itemization of Disbursements
- RFAI threshold

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

2. Categories of Review

a) Internal policy contains categories of review the analyst checks, such as: Prohibited, Excessive and Impermissible Contributions, Mathematical Discrepancies, Failure to Provide Supporting Schedules and Failure to Properly Itemize Contributions from Individuals and Disbursements, to name a few.

b) Policy has established thresholds for making determinations on whether to send a Request for Additional Information (RFAI).

c) Thresholds are confidential.

Review of Reports

- Thresholds are applied on a <u>per report basis</u>
  - If recurring issues on multiple reports, committee may receive multiple RFAIs on same topic
  - RAD does not consider previous responses to RFAIs
    - Exception: Responses relating to best efforts procedures apply for the two-year election cycle
- It's possible to see an issue questioned on one report, but not on another

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

3. **Review is conducted and thresholds are applied on a <u>per report basis</u>.**
   a) This means a committee may receive an RFAI identifying the same issue already addressed in response to an RFAI referencing a different report.
   b) Exceptions include outlining Best Efforts procedures which would apply to the two year cycle.
   c) There may be several issues that are aggregated together to meet a single threshold, so it's possible to see an issue questioned on one report that isn't included in an RFAI on for another report**.**

Request for Additional Information (RFAI)

- If internal thresholds are met, analyst sends RFAI; response due date in upper right corner
- No extensions granted
- Responses are assessed by analysts
- Analysts do not reply to committee responses

FECConnect LIVE
2015-16 Election Cycle

2015 Year-End Candidate Reporting

B. Request for Additional Information (RFAI)

1. If internal thresholds are met, an RFAI is sent, with a "Response Due Date" in the upper right hand corner of the letter. Extensions are not granted. The committee analyst's name and contact telephone number are also provided in the letter.

Tip: *You can find out the name of your analyst is by visiting:* *http://www.fec.gov/rad/index.shtml*.

Request for Additional Information (RFAI)

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

MATT WILLIAMS, TREASURER
BRYCE HARPER FOR CONGRESS
200 NATIONALS WAY - SUITE 34
POTOMAC, MD 20000

October 25, 2015

Response Due Date
November 29, 2015

Response Due Date

IDENTIFICATION NUMBER: C00123456

REFERENCE: October Quarterly Report

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 1 item(s):

- Schedule A of your report discloses one or more contributions that appear to exceed the limits set forth in the Act (see attached).

An individual or a political committee other than an authorized committee or qualified multi-candidate committee may not make a contribution(s) to a candidate for federal office in excess of $2,600 per election. An authorized committee may not make a contribution(s) to a candidate for federal office in excess of $2,000 per election. A qualified multi-candidate committee and all affiliated committees may not make a contribution(s) to a candidate for federal office in excess of $5,000 per election. The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. (2 U.S.C. § 441a(a) and (f); 11 CFR § 110.1(b), (e) and (k))

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

Request for Additional Information (RFAI)

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended.

If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1166.

Analyst Phone Number

Sincerely,

Bradley Matheson

Bradley Matheson
Senior Campaign Finance Analyst
Reports Analysis Division

418

Analyst's Name

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

RFAIs via Email

- RAD is now emailing RFAIs
  - Opt-Out Option: File a Form 99 to request that RFAIs be mailed via USPS
- Committees can now disclose <u>up to two</u> email addresses on Form 1

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

Responding to RFAIs

- Committee should contact its analyst before and/or after filing a response
- Analysts do not make legal conclusions
- Analysts do not contact committees in every case when a response is not sufficient

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

2. **Responses are assessed by the analysts and in some cases, team leaders.**
   a) Analysts do not reply to responses.
   b) Contact is not made with committees in every case when a response is not sufficient. <u>Further explanation below</u>.

c) Committees are encouraged to contact their assigned analyst prior to responding if unsure about how to respond or after a response is filed to ensure an adequate response is received.

d) Keep in mind that analysts can't make legal conclusions or give guidance on a legal conclusion being made by a committee. In addition, they cannot determine what category your activity falls under (i.e., independent expenditures or coordinated party expenditures).

e) In some cases, RAD consults with OGC before sending an RFAI and when making a response assessment.

How to Respond to RFAIs

- File an amendment to add, change or delete actual entries on FEC report
- Use miscellaneous text submission (Form 99) for narrative responses that do not affect actual entries within a report (e.g., demonstrating best efforts)

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

3. Best way to respond to RFAIs depends on type of information that needs to be provided.

a) File an **amendment to a report** when changing information that affects entries on a report. This would include additions, changes or deletions.

b) File a **Miscellaneous Text Submission (Form 99)** for narrative responses that do not affect actual entries within a report. (For example, when outlining procedures for "Best Efforts" in obtaining contributor information.)

OGC & ADRO Referrals

- Policy includes thresholds for further Commission action
- Adequate and timely responses may be considered
- RAD calls committee before referring to OGC or ADRO to explain RFAI and request response

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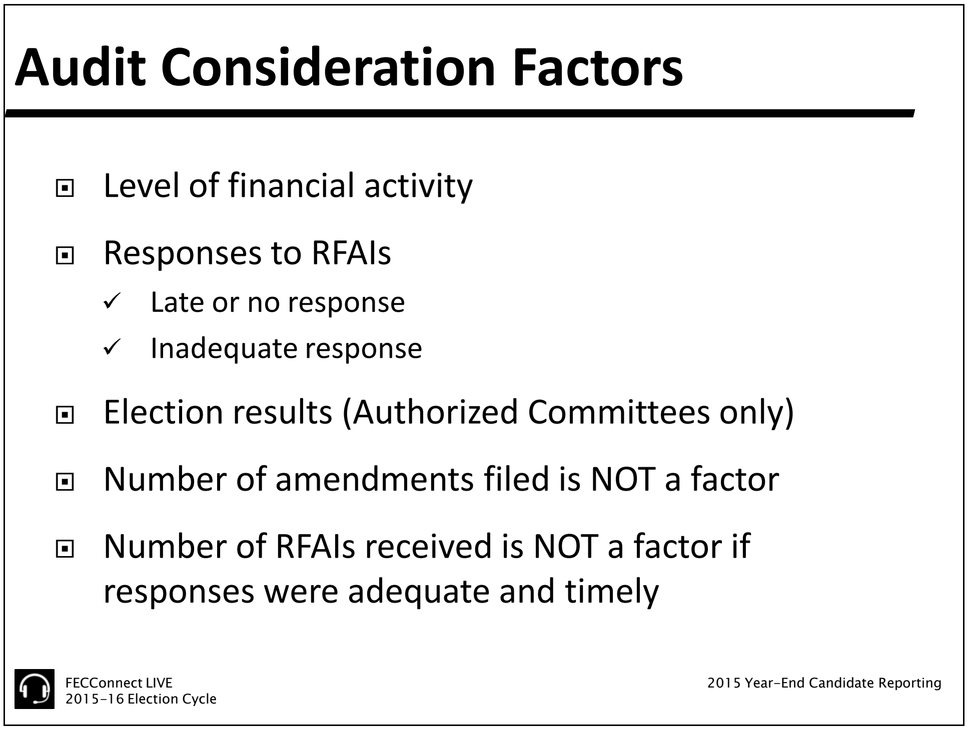
2015-16 Election Cycle

2015 Year-End Candidate Reporting

C. Referrals to OGC (Office of General Counsel) and ADRO (Alternative Dispute Resolution Office)

1. Internal policy includes thresholds for determining whether a matter should be referred to OGC or ADRO.
2. An adequate response is required by the timeframe given to prevent the matter from being referred.
3. Committee will receive a phone call from RAD prior to a referral to ADRO or OGC to explain RFAI and request a response.



D. Referrals to the Audit Division

1. Factors for making referrals to the Audit Division
   a) Level of financial activity
   b) Responses to RFAIs
      (1) Late or no response
      (2) Inadequate responses
   c) **For Authorized Committees only -** Election Results
2. The number of amendments filed is not a factor.
3. The number of RFAIs is not a factor if responded to adequately and on time.
4. Committees should ensure that they have provided the most current mailing address, email address and phone numbers on their Statement of Organization (FEC Form 1). Often RFAIs are returned by the Post Office due to an incorrect mailing address. In addition, RAD began sending RFAIs via email in October 2011, so it's important to ensure a valid email address is provided on FEC Form 1. Committees have the option to continue to receive RFAIs on paper through the mail and can indicate this preference by filing Form 99.

Objectives

- Review reporting schedule for end of 2015 and importance of timely filing
- Consider the importance of responding to Requests for Additional Information
- **Explain reporting requirements for 2016 and how to report financial activity**
- Discuss common reporting errors and disclosure scenarios

FECConnect LIVE
2015-16 Election Cycle

2015 Year-End Candidate Reporting

IV. Reporting Requirements

A. 2016 Reporting Schedule (Election Year)

1. **House/Senate Campaigns.**
   Quarterly filing is mandatory for authorized campaign committees in all years.
2. **Presidential Campaigns**
   a) Presidential campaign committees may file monthly or quarterly during election years.
   b) Note: Presidential committees that have received or anticipate receiving contributions or making expenditures aggregating >$100,000 are required to file monthly in 2016.

2016 Reporting Schedule

Report Type	Coverage and Due Dates
April Quarterly	Covers 1/1 - 3/31; Due 4/15/16
July Quarterly	Covers 4/1 - 6/30; Due 7/15/16
October Quarterly	Covers 7/1 - 9/30; Due 10/15/16
Pre-Election (Primary & General)	Covers 1st day of current period to 20 days before election; Due 12 days before election (12G covers October 1-19; Due 10/27/16)
Post-General	Covers 10/20 -11/28; Due 12/8/16
Year-End (General Election candidates)	Covers 11/29 - 12/31; Due 1/31/17
Year-End (Non-General Election candidates)	Covers 10/1 - 12/31; Due 1/31/17

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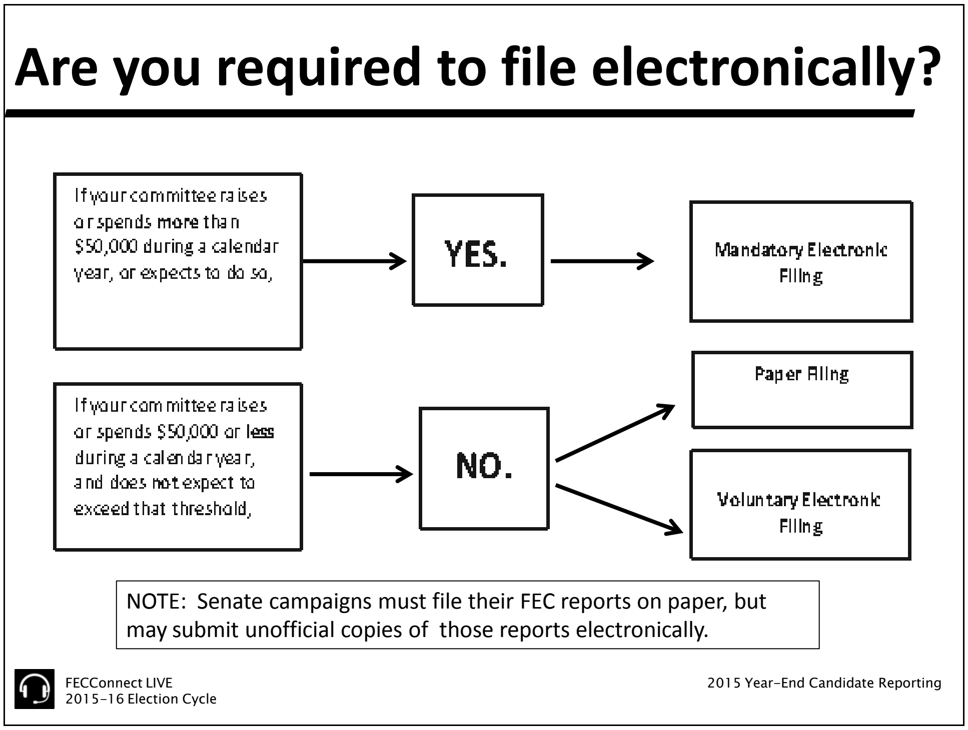
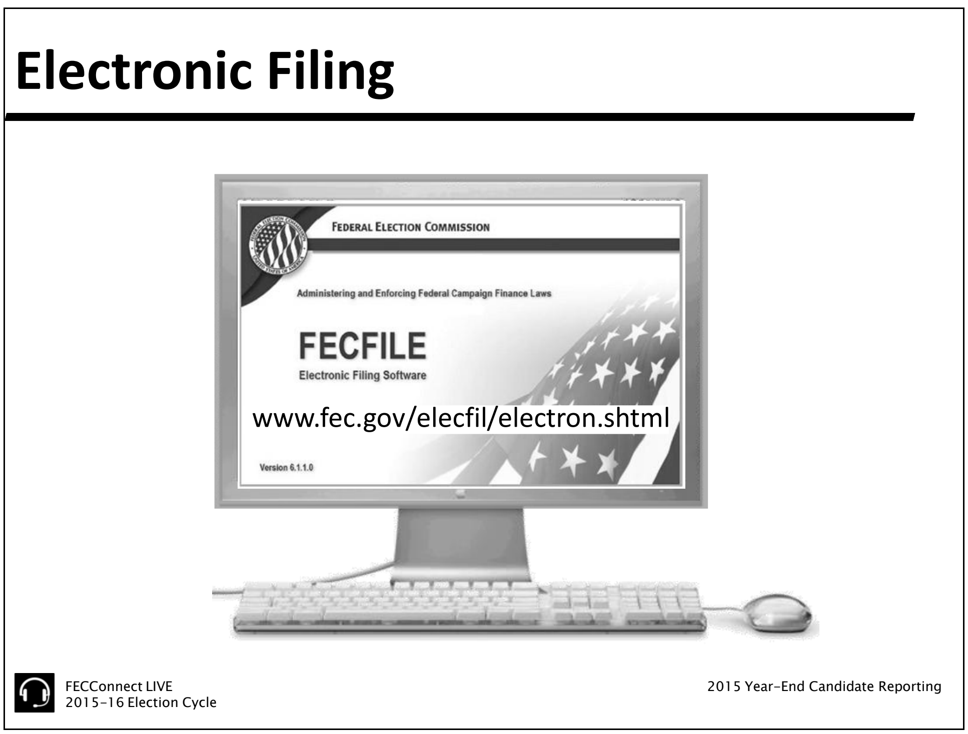
2015-16 Election Cycle

2015 Year-End Candidate Reporting

3. **Report Schedule - Congressional Campaigns**
   a) **Quarterly reports due April 15, July 15, October 15 and January 31.**
   b) **File pre-election reports in election years.**
      (1) File pre-primary (or pre-convention or pre-runoff, if applicable) report due 12 days before election
      (2) If in general election, file Pre-General report due 12 days before general
      (3) File Post-General Report, due 30 days after general
      (4) Reporting period always begins the day after close of books of last report filed
4. **Report Schedule - Presidential Campaigns**
   For additional information, contact your assigned Campaign Finance Analyst. Visit http://www.fec.gov/rad/index.shtml to find name and contact information for your assigned Analyst or call RAD, toll-free, 800-424-9530 (press 5 when prompted).

Tip: You can find information on 2016 reporting deadlines by visiting http://www.fec.gov/info/report_dates_2016.shtml





B. **Electronic vs. Paper Reporting (**Guide, pp. 83-88)

1. **Who Must E-File?**

House campaign committees that raise or spend more than $50,000 in a calendar year, or that have reason to expect to do so.

2. Who is Exempt from Mandatory E-Filing?

a) Senate campaigns

b) All House campaign committees that do not meet the $50,000 threshold above.

3. Exceeding Threshold for E-Filing

a) Once committee exceeds threshold, it begins filing electronically with the next regular report.

b) Committee must continue to file electronically for the next two calendar years (January through December), unless it is a House campaign committee that has $50,000 or less in net debts outstanding on January 1 following the general election, and that anticipates terminating prior to January 1 of the next election year.

4. Voluntary Filing

a) House campaign committees that aren't required to e-file, but choose to anyway, must continue to do so for the remainder of the calendar year.

b) Senate campaigns must still file paper copy.

c) New committees with no prior data on which to base calculations have reason to expect to exceed threshold if they either:

(1) Receive contributions or make expenditures that exceed $12,500 in first quarter of calendar year, or

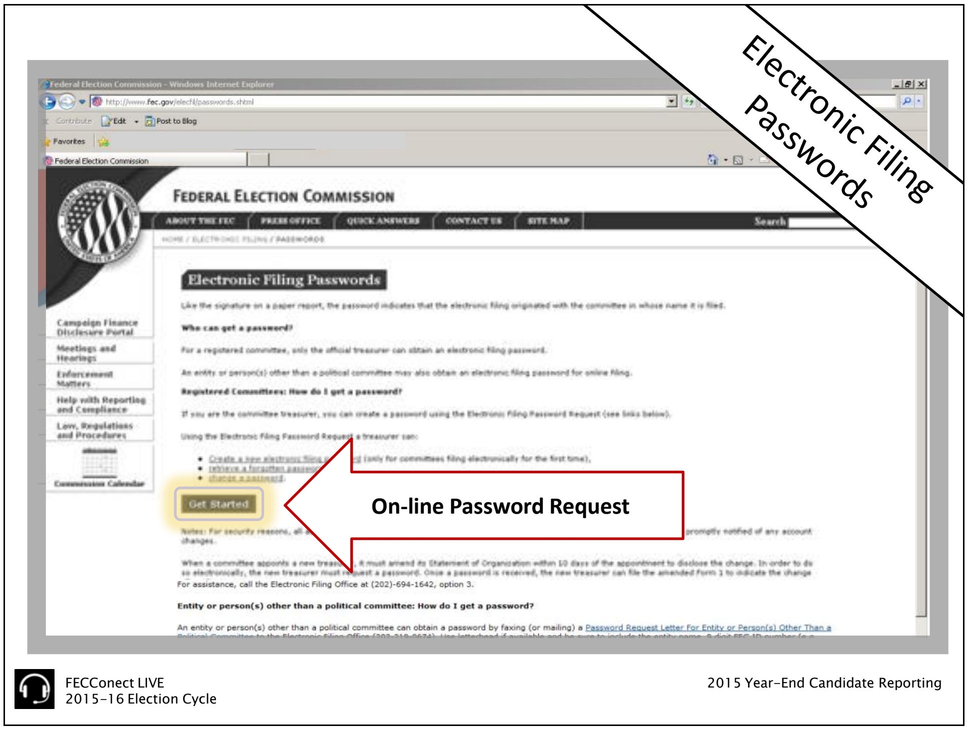
(2) Receive contributions or make expenditures that exceed $25,000 in first half of the calendar year.

(3) Threshold calculated on a per-committee basis; affiliated committees calculate their own contributions and expenditures separately for purposes of determining if they have met mandatory e-filing threshold.

5. Paper Filing by E-Filer

House campaign committees that submit a report on paper that should have been filing electronically will be treated as non-filers and may be subject to enforcement actions (including Administrative Fines).

6. To meet the filing deadline, electronically filed reports must be received and validated by the Commission's computer system on or before 11:59 p.m. (Eastern Time) on the filing date.



C. Electronic Filing Passwords

1. **Passwords Required** - Before you can electronically file, you will have to obtain a password. You cannot file without one.
2. **Who Can Get a Password?**
   Only the official treasurer can obtain an electronic filing password. It is important that the committee has provided a valid email address on its Statement of Organization, as a validation email will be sent out the Committee.
3. **How Do You Get a Password?**
   a) Most committees may obtain or change their password online at http://www.fec.gov/elecfil/passwords.shtml.
   b) Existing committees that have not previously used the online system should contact the Electronic Filing Office for assistance at 202-694-1307.
4. **How Long Does it Take?**
   a) Passwords can now be obtained in just a few minutes online.
   b) We recommend you request your password as early in the process as possible, in case any issues arise.
5. **The Password is Case-Sensitive.**
6. **Remember your Password** – If your forget it, you will have to request a new one.
7. For more information, visit http://www.fec.gov/elecfil/electron.shtml.

FEC Form 3

- Used by House and Senate filers
- Cover Page – shows report type/coverage dates
- Summary Page – overview of receipts and disbursements
- Detailed Summary Pages – overview of receipts and disbursements by category
- Schedules – show detailed info by line number

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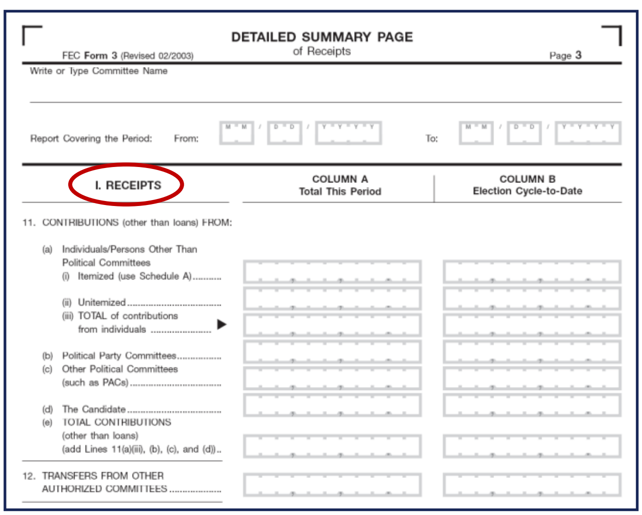
2015-16 Election Cycle

2015 Year-End Candidate Reporting

Detailed Summary Page: Receipts



DETAILED SUMMARY PAGE
of Receipts

FEC Form 3 (Revised 02/2003) Page 3

Write or Type Committee Name

Report Covering the Period: From: M M / D D / Y Y Y Y To: M M / D D / Y Y Y Y

I. RECEIPTS	COLUMN A Total This Period	COLUMN B Election Cycle-to-Date
11. CONTRIBUTIONS (other than loans) FROM:		
(a) Individuals/Persons Other Than Political Committees		
(i) Itemized (use Schedule A)		
(ii) Unitemized		
(iii) TOTAL of contributions from individuals ▶		
(b) Political Party Committees		
(c) Other Political Committees (such as PACs)		
(d) The Candidate		
(e) TOTAL CONTRIBUTIONS (other than loans) (add Lines 11(a)(iii), (b), (c), and (d))		
12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES		

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

Reporting Receipts

- Itemize regardless of amount:
  - Contributions from party committees/organizations
  - Contributions from other political committees
  - Transfers
  - Loans
- All other receipts:
  - Itemize once they exceed $200 when aggregated with other receipts from that same source during an election cycle

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2015-16 Election Cycle
2015 Year-End Candidate Reporting

D. Report Receipts on the Appropriate Line Number

1. Itemize Regardless of Amount:

a) Contributions from political committees (Line 11b or 11c)

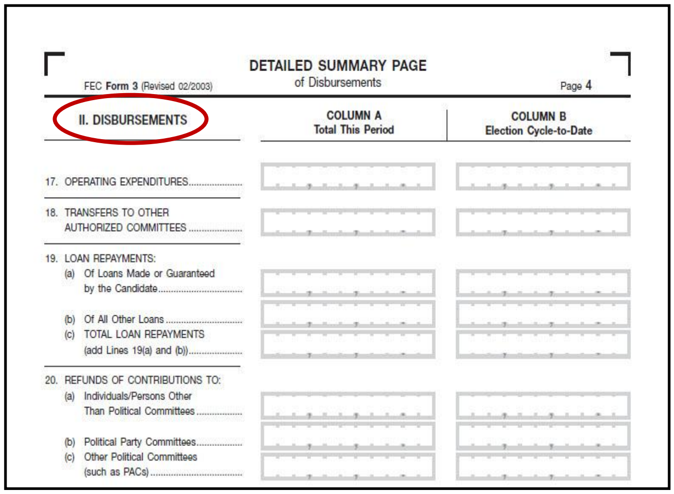
b) Transfers from affiliated authorized committees (Line 12)

c) Loans received (Line 13a or 13b)

2. Threshold for Other Categories

Itemize all other receipts once they exceed $200 when aggregated with other receipts from that same source during the election cycle.

Detailed Summary Page: Disbursements



DETAILED SUMMARY PAGE
of Disbursements

FEC Form 3 (Revised 02/2003) Page 4

II. DISBURSEMENTS	COLUMN A Total This Period	COLUMN B Election Cycle-to-Date
17. OPERATING EXPENDITURES		
18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES		
19. LOAN REPAYMENTS:		
(a) Of Loans Made or Guaranteed by the Candidate		
(b) Of All Other Loans		
(c) TOTAL LOAN REPAYMENTS (add Lines 19(a) and (b))		
20. REFUNDS OF CONTRIBUTIONS TO:		
(a) Individuals/Persons Other Than Political Committees		
(b) Political Party Committees		
(c) Other Political Committees (such as PACs)		

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

Reporting Disbursements

- Itemize regardless of amount:
  - Transfers to affiliated committees
  - Loan repayments
  - Loans made
  - Contributions made to other federal candidates
  - Refunds to other political committees
- All other disbursements:
  - Itemize once they exceed $200 in aggregate during an election cycle

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

E. Report Disbursements on the Appropriate Line Number

1. Itemize Regardless of Amount:

a) Transfers to affiliated authorized committees (Line 18)

b) Loan repayments (Line 19)

c) Refunds made by political party committees (Line 20(b))
d) Refunds made by other political committees (Line 20(c))
e) Contributions made to other federal candidates/other political committees (Line 21)

2. Threshold for Other Disbursement Categories

Itemize all other disbursements once they exceed $200 when aggregated with other disbursements to the same payee during the election cycle.

Purpose of Disbursement

- Rule of thumb: Could reader discern why a payment was made simply by reading the description provided?
- Non-exhaustive lists available on FEC.gov at:

  http://www.fec.gov/law/policy.shtml#purpose

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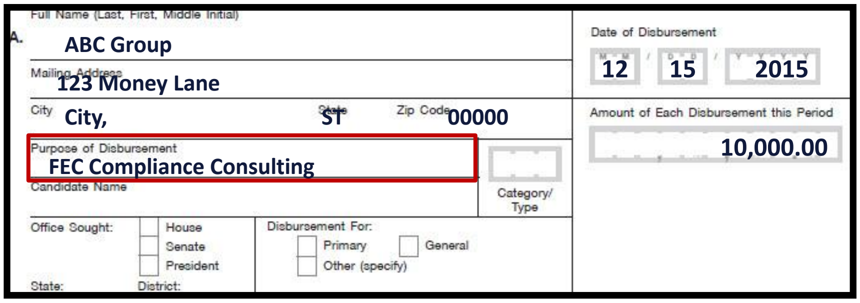
2015-16 Election Cycle

2015 Year-End Candidate Reporting

Purpose of Disbursement

Entry must be sufficiently specific, when considered with the identity of the recipient, to provide a clear reason for the payment


A. Full Name (Last, First, Middle Initial)
ABC Group
Mailing Address 123 Money Lane
City City, State ST Zip Code 00000
Purpose of Disbursement FEC Compliance Consulting
Candidate Name
Category/ Type
Office Sought: House Senate President
State: District:
Disbursement For: Primary General Other (specify)
Date of Disbursement 12 / 15 / 2015
Amount of Each Disbursement this Period 10,000.00

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

F. Purpose of Disbursement

1. FEC regulations require that the "purpose of disbursement" entry for each disbursement be sufficiently specific, when considered with the identity of the recipient, to provide a clear reason for the payment. 11 CFR 104.3(b)(3) and (4).
2. Policy statement includes non-exhaustive lists of acceptable and unacceptable "purpose of disbursement" descriptions intended to provide additional guidance to the regulated community and to foster consistency among filers.
3. As a general guideline, the statement suggests that filers consider whether a person unaffiliated with the campaign/committee could discern why a payment was made by reading the description they have provided.
4. List is updated periodically and made available online at http://www.fec.gov/law/policy.shtml#purpose.

Avoid Common Mistakes

- Check for math errors
- Include all required schedules, all information
- Provide all information required by schedule
- Consult form instructions available on FEC.gov
- Designate contributions
- Only enter contributors into reporting software once to avoid aggregation problems
- Ensure correct committee name disclosed for contributions made/received

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

G. Avoiding Common Mistakes

1. Check for math errors.
2. Include all appropriate schedules.
3. Provide all information required by schedule. Consult form instructions available on our website at http://www.fec.gov/info/forms.shtml.
4. Designate all contributions. If not designated, contribution is applied towards next election and may result in excessive contribution. Also indicate year of election and check Primary or General. If Special, Runoff, Convention or Recount election, check "Other" and also include election type & year (e.g., "Special General 2015").
5. Avoid accidentally entering contributors multiple times into the committee's reporting software program. This causes aggregation problems as well as excessive contributions to be reported.

6, Ensure the correct committee name is disclosed for contributions received/made. Using an incorrect committee name creates data entry problems and errors on the public record. Disclosing the FEC ID # of the contributor/recipient committee will help avoid mistakes.

Best Practices: Reporting

- Respond completely to RFAIs by deadline specified
- Contact your analyst to clarify questions and issues! The analyst can assist prior to the report being amended or if you are unsure what is wrong
- Consult most recent lists of inadequate/adequate purposes and use rule of thumb

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

H. Best Practices

1. Respond completely to all RFAIs by the deadline specified.
2. Contact your analyst to clarify questions and issues. Please contact the analyst if you are unsure of what is wrong. The analyst can assist prior to the report being amended.
3. Consult most recent copy of inadequate/adequate purpose lists and use rule of thumb. http://www.fec.gov/law/policy.shtml#purpose

Contact Information

- Ensure current contact information (mailing address, email address, and phone number) appear on Statement of Organization (FEC Form 1)
- Up to two email addresses may be listed

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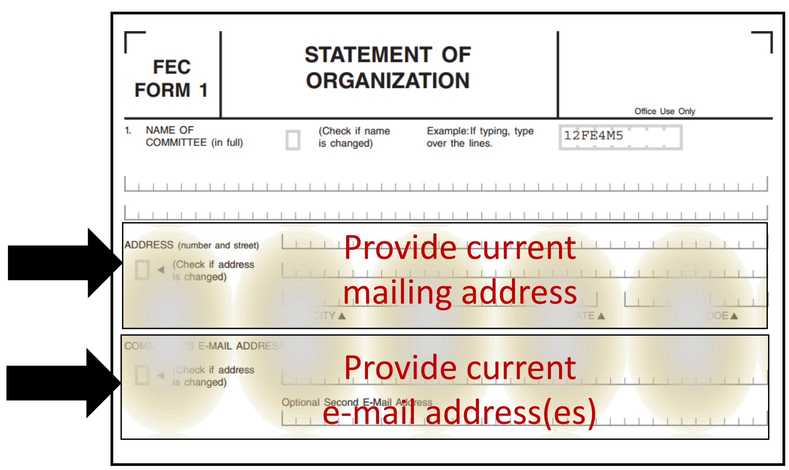
2015-16 Election Cycle

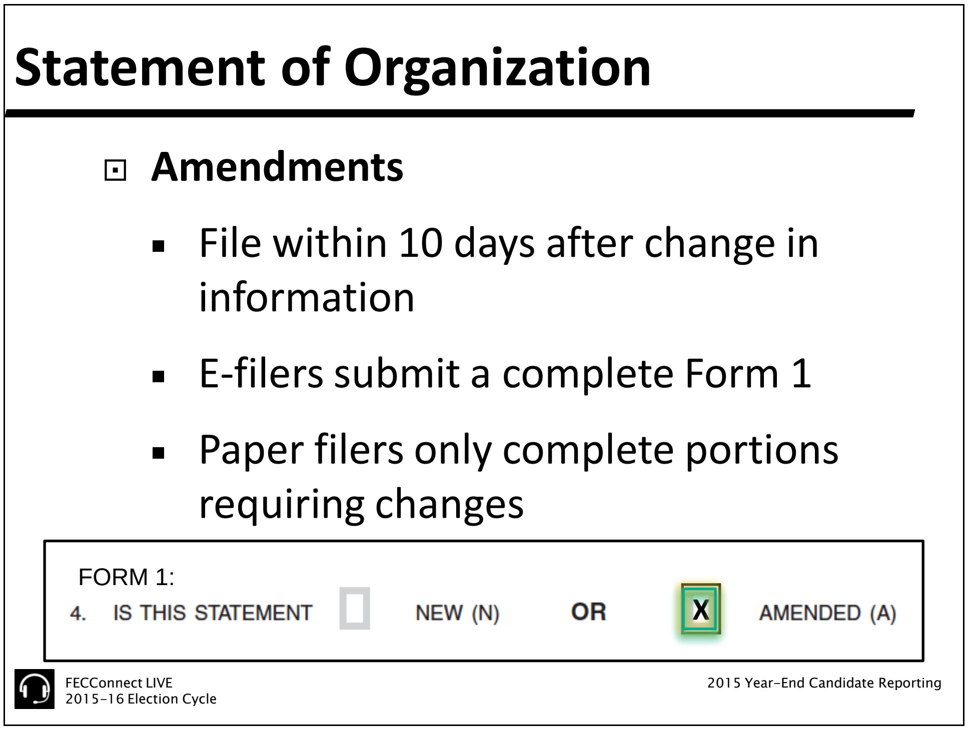
2015 Year-End Candidate Reporting

Statement of Organization



FECConnect LIVE
2015-16 Election Cycle

2015 Year-End Candidate Reporting



4. Amendments

Amend Statement of Organization when necessary within 10 days of change. Remember to notify the FEC of address and treasurer changes by filing an amended Form 1.

RAD FAQs Web Page

http://www.fec.gov/rad/index.shtml

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

RAD FAQs Web Page

Helpful Links to General Questions:

- Reporting and Filing Information
- Requests for Additional Information (RFAIs)
- Late Filing and Other Enforcement Penalties
- Electronic Filing and Passwords
- Images of Campaign Finance Reports
- Best Practices to Avoid Pitfalls

For more information about specific committee types and compliance topics use the links below:

Candidate Committees	Party Committees	PACs	RAD Processes	Other Filers	Training and Conferences

Contact Us:

The FEC is available to assist you via telephone Monday - Friday 8:00am - 5:30pm EST.

- To contact your campaign finance analyst with reporting questions: Call (202)-694-1130 to reach the Reports Analysis Division.
- For members of the public with general questions about campaign finance: Call (202)-694-

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

Objectives

- Review reporting schedule for end of 2015 and importance of timely filing
- Learn about the review of reports and responding to Requests for Additional Information
- Explain reporting requirements for 2016 and how to report financial activity
- Discuss common reporting errors and disclosure scenarios

FECConnect LIVE
2015-16 Election Cycle

2015 Year-End Candidate Reporting

V. Reporting Scenarios

A. Scenario #1: Testing the Waters

Should you run?

- Individuals can "test the waters," or explore if it is feasible to run for office by:
  - Conducting activities such as polling, making phone calls, or traveling around the district; and
  - Raising money to pay for this activity under the federal contribution limits.
- Individuals conducting solely "testing the waters" activity are not required to register and report, even if they raise/spend more than $5,000

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

You are campaigning if you…

- Make or authorize statements that refer to you as a candidate ("Smith in 2016" or "Smith for Senate")
- Use general public political advertising to publicize your intention to campaign
- Raise more money than what is reasonably needed to test the waters or amass funds (seed money) to be used after candidacy is established
- Conduct activities over a protracted period of time or shortly before the election
- Take action to qualify for the ballot

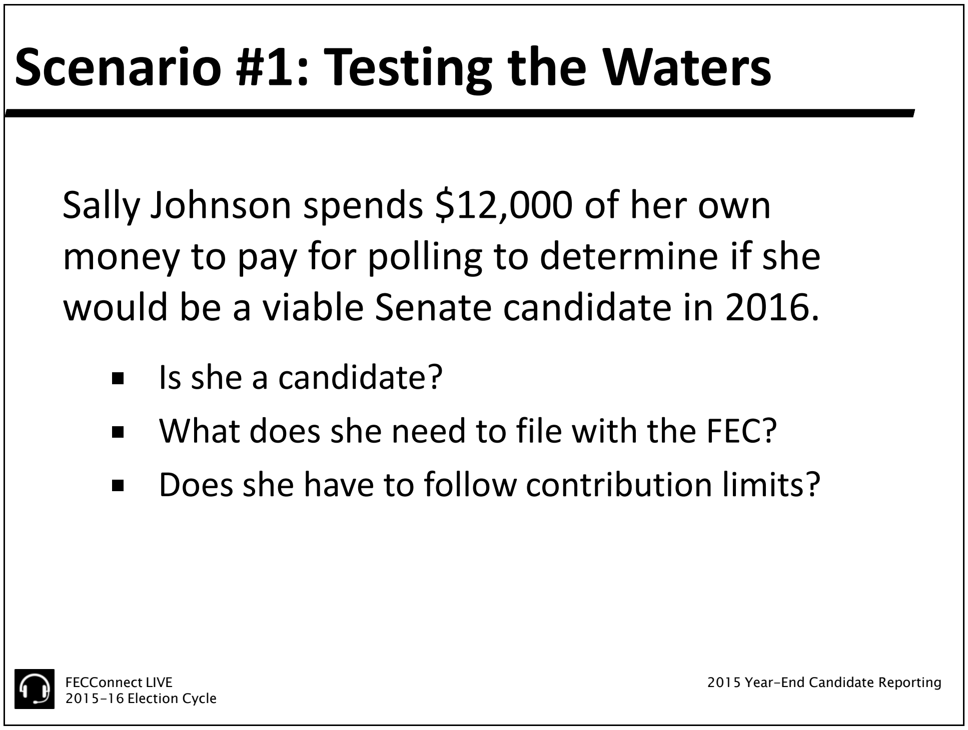
Reporting Exploratory Activity

If you begin to campaign or decide to become a candidate, funds that were raised or spent to test the waters apply to the $5,000 threshold for qualifying as a candidate

You will have to report to the FEC all money raised and spent in your exploratory period

Scenario #1 – Testing the Waters (Guide, pp. 1-3)

Example A



On March 25, 2015, Sally Johnson, a respected and well-known business leader, spends $12,000 of her own money to pay for polling in order to determine if she is a viable Senate candidate in 2016. As her friend and close advisor, you ensure that her poll is carefully worded and in no way insinuates that she is running.

1. **Is Sally considered a candidate for 2016?**

2. **What does she need to file with the FEC?**

3. **Does she have to follow the federal contribution limits?**

Scenario #1 (Example A) Answers:

1. **Is Sally considered a candidate for 2016?**

   Answer: No, Sally is not a candidate for 2016. Even though she spent over the $5,000 threshold for candidacy, her activity is solely exploratory and she is not a candidate even if she raises or spends more than $5,000.

2. **What does she need to file with the FEC?**

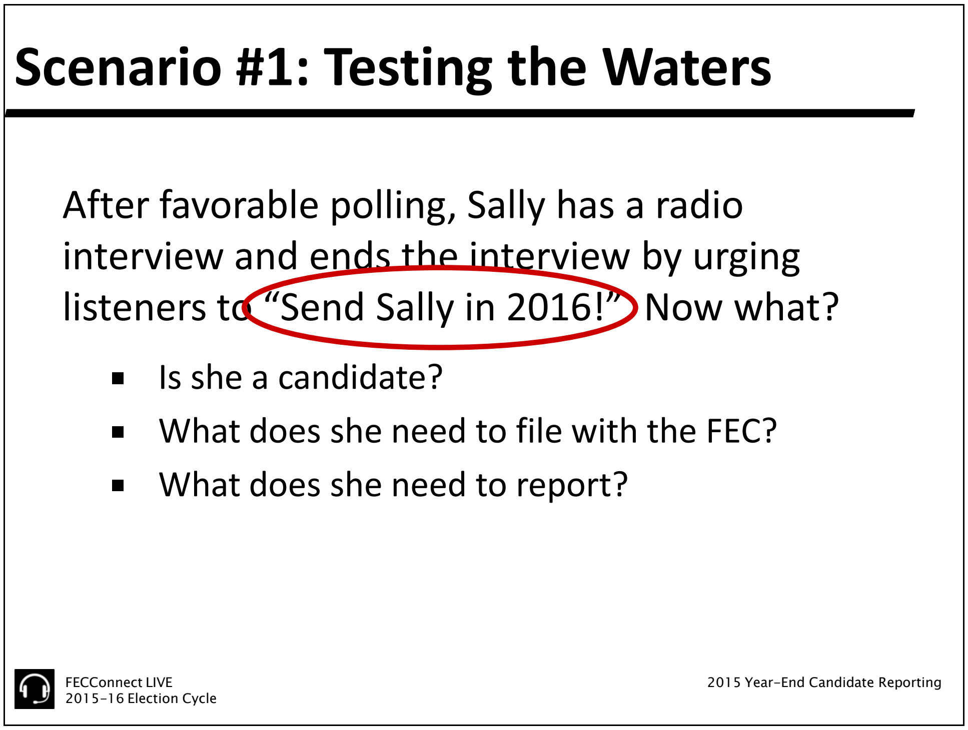
   Answer: During her exploratory period, she is not required to register or report with the Commission.

3. **Does she have to follow the federal contribution limits?**

   Answer: Yes, Sally must follow federal contribution limits. Any activity during an exploratory committee is reportable once she becomes a candidate for federal office. This means that all money raised must be raised according to the contribution limits.

Scenario #1 – Testing the Waters (Guide, pp. 1-3)

Example B



After receiving favorable polling results, Sally gets excited. On April 5th, she impulsively ends an important radio interview by urging listeners to "Send Sally in 2016!" She calls you later that day to tell you that she is running for Senate. Since you are well-versed in campaign filing requirements, she asks you what she needs to do now.

1. Is Sally now considered a candidate for 2016?

2. What does she need to file with the FEC?

3. What does she need to file on the first report?

Scenario #1 (Example B) Answers:

1. Is Sally now considered a candidate for 2016?

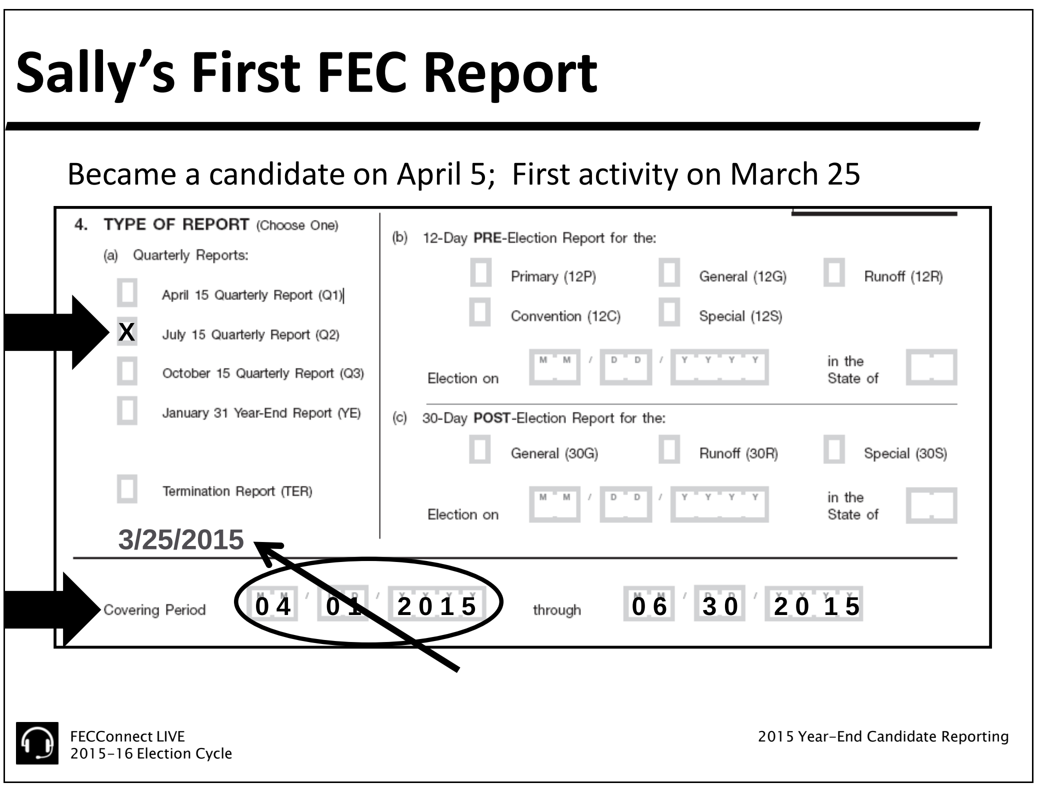
Answer: Before the radio announcement, she was testing the waters. Now that she has made statements referring to herself as a candidate, she is no longer testing the waters. Since she has already spent over $5,000, she is immediately considered a candidate.

2. What does she need to file with the FEC?

Answer: You advise Sally that she needs to register as a candidate by filing an FEC Form 2 and authorize a Principal Campaign Committee by filing the FEC Form 1.

3. What does she need to file on the first report?

Answer: Sally became a candidate on April 5, 2015. This means her first report will be the 2015 July Quarterly Report, which usually covers activity from 04/01/2015-06/30/2015. However, you remind Sally that she still has to report her exploratory activity, and this includes any contributions she raised, any money she fronted, and any expenditures she made. You tell her that since the July Quarterly will be her first report and some of her exploratory activity happened outside of those coverage dates, she should extend the beginning coverage date to include her first date of financial activity.



B. Scenario #2: Last Minute Contributions – 48-Hour Notices (Guide, p. 81)

48-Hour Notices

48-Hour Notices are required when a contribution of $1,000 or more is received between 20 days and 2 days before an election

- 48-Hour Notices are filed on the FEC Form 6
- Each Form 6 must be filed within 48 hours of receiving a contribution of $1,000 or more
- Loans and in-kind contributions are included

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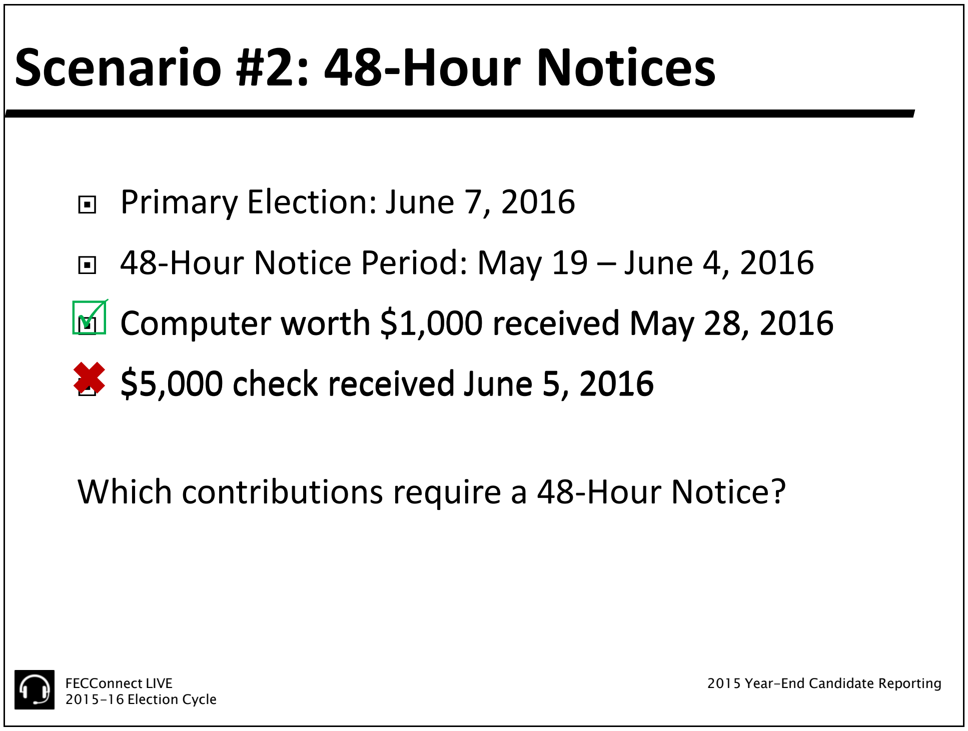
2015-16 Election Cycle

2015 Year-End Candidate Reporting

SCENARIO #2 − Last-Minute Contributions – 48-Hour Notices (Guide, p. 81)



As the June 7, 2016, primary election day approaches, Candidate George Costanza makes a number of solicitation calls to his loyal contributors. In response to his call, Jacopo Peterman (a company CEO residing at 602 Main Street, Anytown, CA 12345) donates a $1,000 computer to the campaign, on May 28, 2016.

David Puddy, the treasurer for the Mechanics' PAC (address: 303 Main Street, Anytown, CA 12345), was on vacation when Candidate Costanza called making his appeal. Feeling bad for missing his call, and in order to get the money to the campaign before the election, Puddy walks down the street to the Costanza Campaign Office and hand delivers a $5,000 check to Candidate Costanza on June 5, 2016.

1. Do any of these receipts trigger 48-Hour Notices?

2. How should the committee disclose the May 28th receipt?

3. How should the committee disclose the $5,000 check received on June 5th?

Scenario #2 Answers:

1. Do any of these receipts trigger 48-Hour Notices?

Answer: Yes. Campaign committees must file special notices regarding contributions of $1,000 or more received less than 20 days but more than 48 hours before 12:01a.m. of the day of any election in which the candidate is running (whether or not the candidate has opposition in the election). The expedited disclosure requirements apply to all types of contributions, including:

- Contributions from the candidate;
- Loans from the candidate and other non-bank sources; and
- Endorsements or guarantees of loans from banks.

In our scenario, the 48-Hour Notice period runs from May 19th through June 4th, therefore the May 28th receipt triggers the 48-Hour Notice requirements.

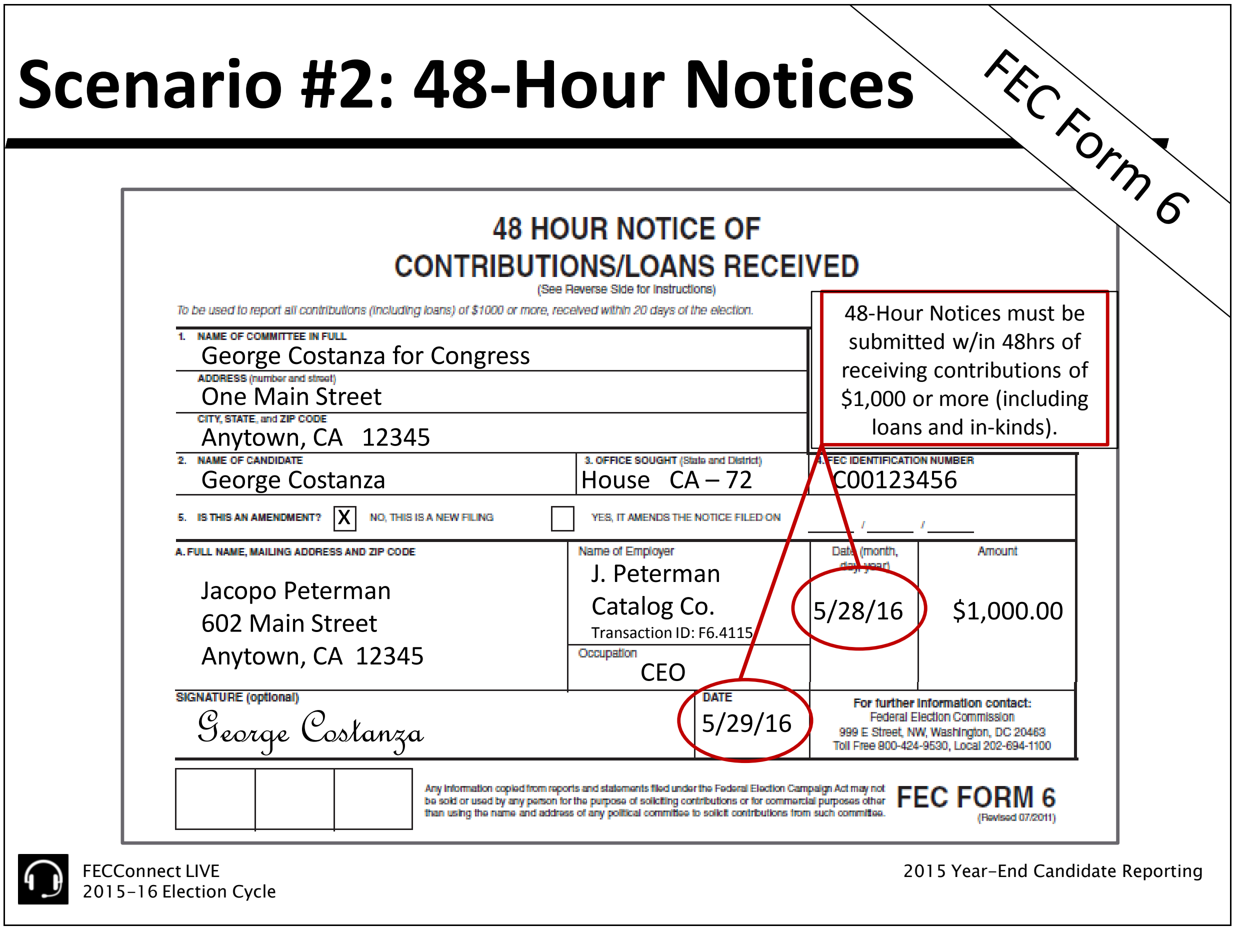
2. How should the committee disclose the May 28th receipt?

Answer: The $1,000 computer given in-kind from Jacopo Peterman should be disclosed as a 48-Hour Notice and must be reported to the FEC by May 30, 2016.

Campaign committees may file their 48-Hour Notices using FEC Form 6. The notices must reach the FEC (House) or Secretary of the Senate (Senate) within 48-hours of the committee's receipt of the contribution(s). Committees filing electronically must file their 48-Hour Notices electronically. Committees filing paper forms may fax the notice to the appropriate office: House (202) 219-0174; Senate (202) 224-1851. Alternatively, a paper-filing House committee may file online using the FEC's website at https://webforms.nictusa.com/form6.

Note that a last-minute contribution must also be itemized on the Committee's next scheduled report – and, as an in-kind contribution, this receipt will be disclosed on both Schedule A and Schedule B.

Report last minute receipts: Show reporting of 48-Hour Notice on Form 6. Include notation indicating the receipt is an in-kind contribution.



3. How should the committee disclose the $5,000 check received on June 5th?

Answer: No 48-Hour Notice is required. Though the contribution is over $1,000, it was received outside the 48-Hour Notice period of May 19th through June 4th. Contributions received outside of that time period do not require expedited disclosure. The receipt will be reported on the campaign committee's next scheduled report, the July Quarterly Report.

48-Hour Notices

Methods for Filing Form 6:

- Electronically through FECFile and other filing software
- Electronically through the FEC website's online webform*
- For Senate committees, by mail or fax to the Senate Secretary of the Senate
- For House committees filing on paper, by mail or fax to the FEC

* FEC.gov / Electronic Filing / Online Filing / Online Webforms / Form 6

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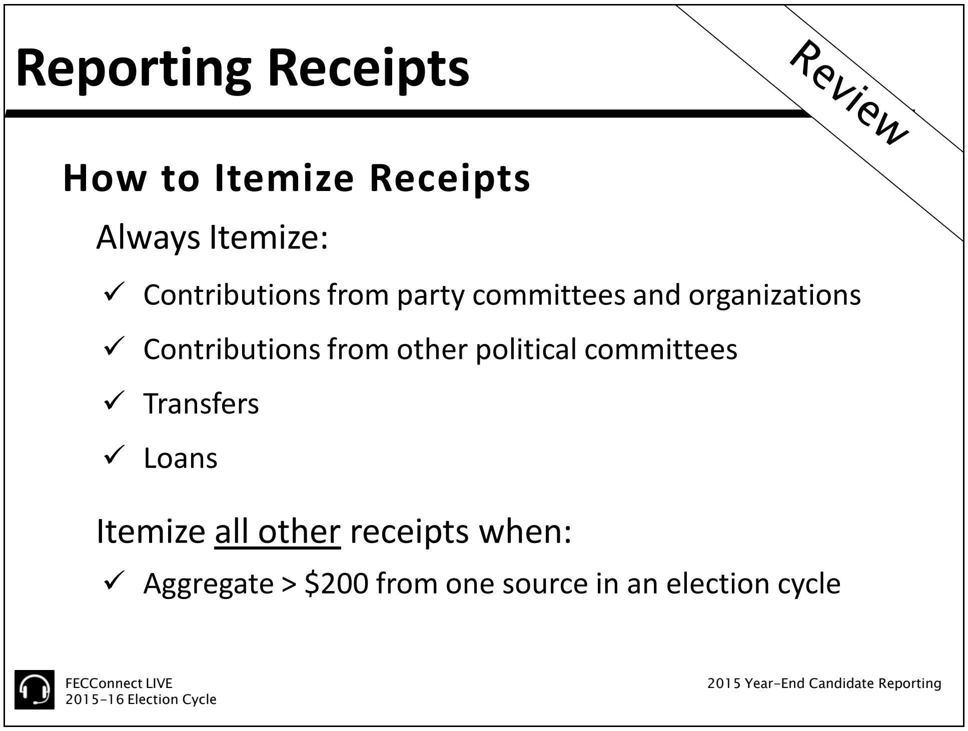
2015-16 Election Cycle

2015 Year-End Candidate Reporting

4. Key issues:

- 48-Hour Notice is used to disclose contributions of $1,000 or more received less than 20 days but more than 48 hours before 12:01a.m. on the day of any election in which the candidate is running. The requirement is triggered whether or not the candidate has opposition in the election.
- A state-by-state chart of 48-Hour Notice periods for 2016 primary elections can be found at http://www.fec.gov/info/charts_primary_dates_2016.shtml.
- **Where and When to File:**
  - House Committees – file with the FEC on Form 6
    - Electronic filer: file electronically.
    - Paper filer: file via fax or online using the FEC website.
    - Must be filed within 48 hours after receipt.
  - Senate Committees – File with Secretary of Senate on Form 6
    - File via mail or fax.
    - Must be filed within 48 hours of receipt.
- Any receipts disclosed on the 48-Hour Notice must be disclosed again as a contribution/loan on the next scheduled report.

C. Scenario #3: Curing Excessives -- Redesignations and Reattributions (Guide, pp. 24-27; 93-94)



Receipt transactions should include the following itemization information for contribution source:

- Name and mailing address;
- Occupation and employer (individuals only);
- FEC ID number (political committees only);
- Election to which contribution/loan was designated;
- Date of receipt;
- Amount of receipt; and
- Aggregate election-cycle-to-date total for all receipts from same source.

Curing Excessives

Options: The Three R's

Refund	Redesignate	Reattribute
• To the contributor	• To another election	• To another contributor
1	2	3

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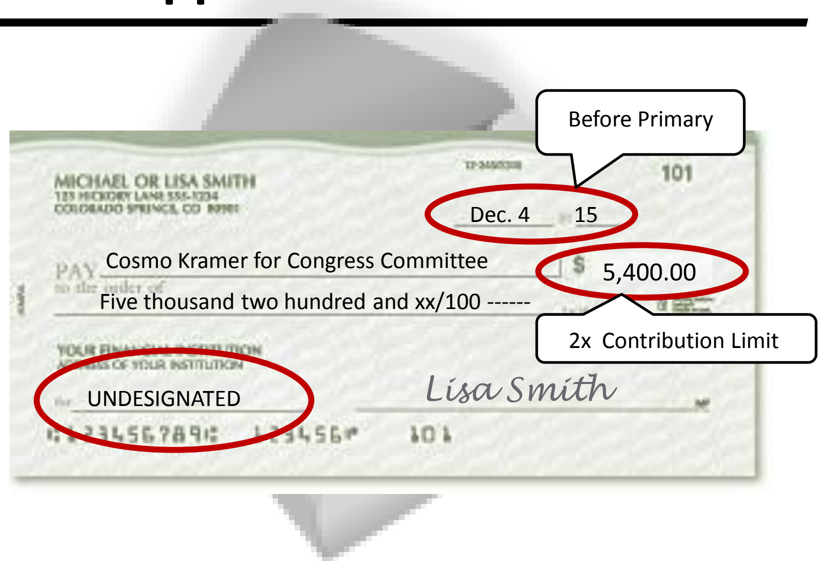
2015-16 Election Cycle

2015 Year-End Candidate Reporting

Practical Application



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2015-16 Election Cycle

2015 Year-End Candidate Reporting

Curing Excessives

Options: The Three R's

Refund	Redesignate	Reattribute
• To the contributor	• To another election	• To another contributor

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

Curing Excessives

Options: The Three R's

Refund	Redesignate	Reattribute
• To the contributor	• To another election	• To another contributor

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

Presumptive Redesignation

1. Designate $2,700 to Primary
2. Redesignate $2,700 to General
3. Notify Lisa, offering option of refund

* Ensure that contributor does not exceed contribution limit

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

Presumptive Redesignation
If an individual or a non-multicandidate committee makes an excessive primary contribution, campaign may presumptively redesignate excessive portion to general election if contribution:

- Is made before candidate's primary election;
- Is not designated in writing for a particular election;
- Would be excessive if treated as a primary election contribution; and
- As redesignated, does not cause the contributor to exceed contribution limit.

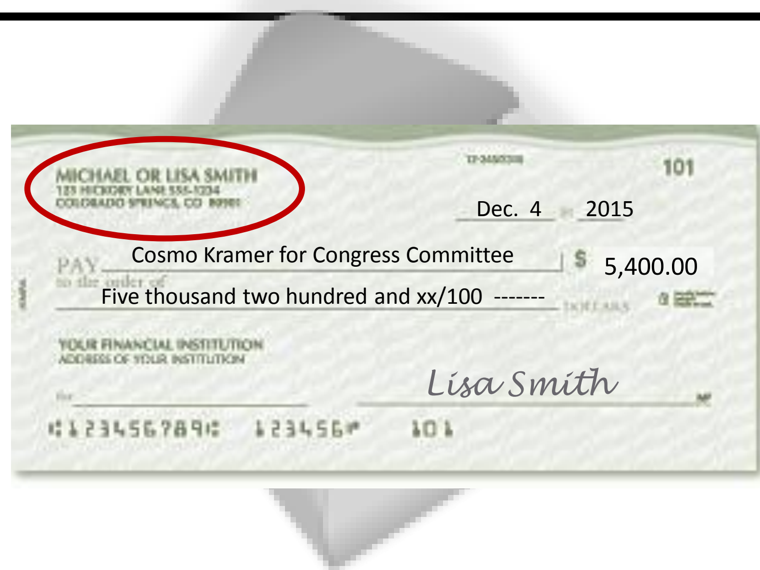
Notification Requirement
Committee must notify contributor of redesignation by paper mail, e-mail, fax or other written method within 60 days of treasurer's receipt of contribution; must notify contributor of right to receive refund instead.

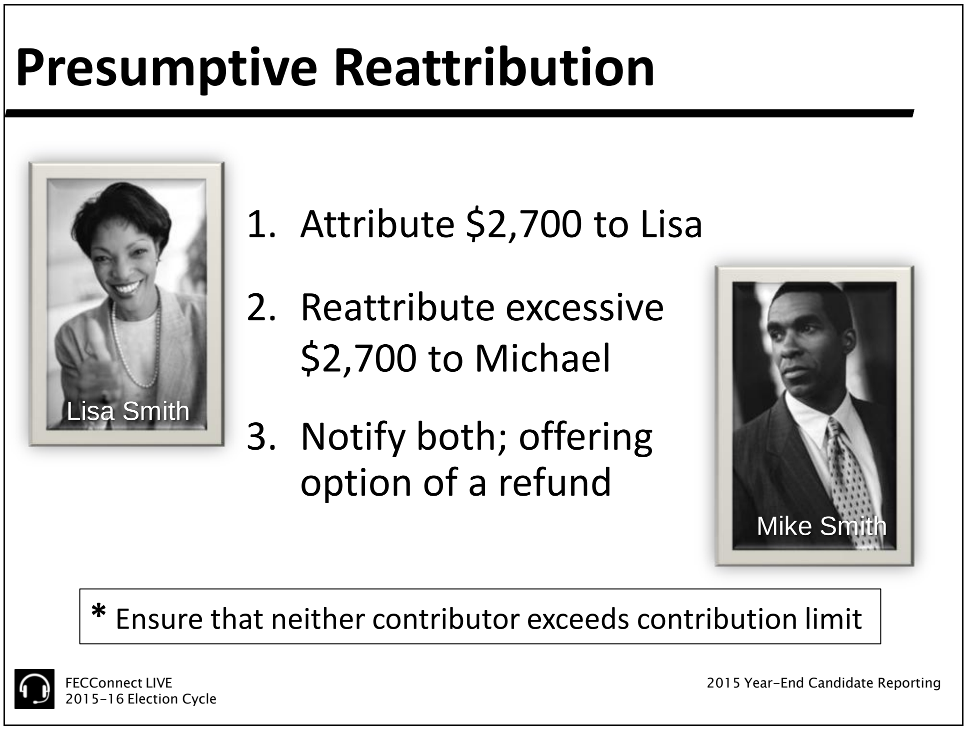
Curing Excessives

Options: The Three R's

- **Refund**
  - To the contributor
- **Redesignate**
  - To another election
- **Reattribute**
  - To another contributor

Practical Application





Presumptive Reattribution
If individual contribution exceeds limit and is made on joint account, but has only one signature:

- Attribute permissible amount to the signer; and
- Presumptively reattribute excessive amount to other account holder, without obtaining his/her signature.

Notification Requirement
Committee must notify contributor of reattribution by paper mail, e-mail, fax or other written method within 60 days of treasurer's receipt of contribution; must notify contributor of right to receive refund instead.

Avoid Excessives

- Encourage contributors to designate contributions
- Obtain signatures for joint contributions

- Designation required if:
  - Contributing to a future election (i.e., not next election)
  - Contributing to retire debt from a past election

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

SCENARIO #3: Curing Excessives -- Redesignations and Reattributions (<u>Guide</u>, pp. 24-27; 93-94)

Congressman Cosmo Kramer is running for re-election in 2016. While visiting his son in New York City, Morty Seinfeld attended the Congressman's December 4, 2015, fundraiser at Monk's Café. At the event, he made a $500 contribution, designated for the primary (see check below).

When Morty returned home to Florida, he talked to his wife, Helen, about doing more to get their friend Kramer re-elected to Congress. In response, she mailed the campaign a check for $5,400 (see check below), which the campaign received on December 10, 2015.

1. How should the committee disclose the $500 contribution from Morty Seinfeld?

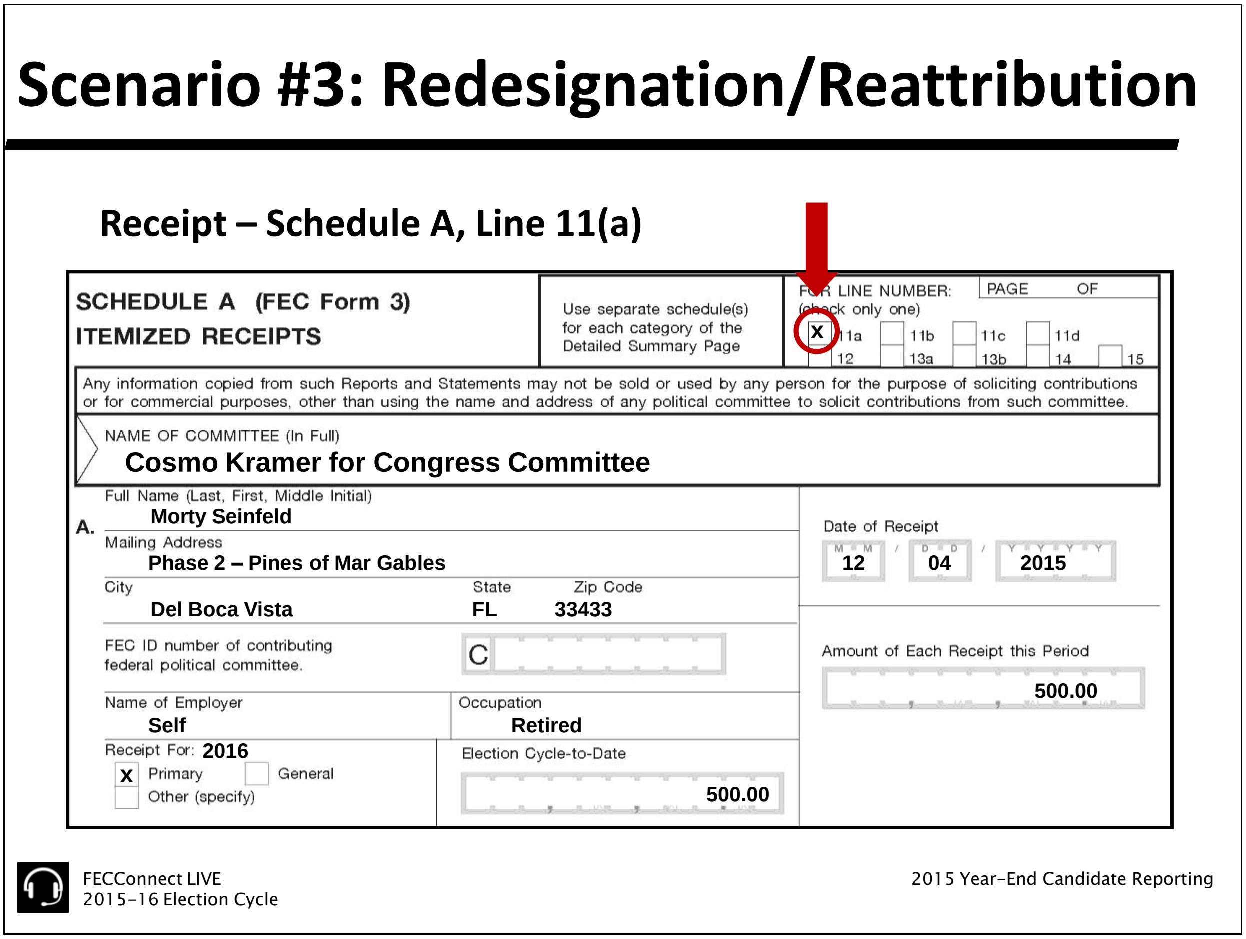
2. Can we accept Helen's contribution check as written? If not, what must the campaign do to remedy the situation?

3. How should the committee disclose the transaction(s) that remedy the excessive contribution?

SCENARIO #3 – ANSWERS:

1. How should the committee disclose the $500 contribution from Morty Seinfeld?

Answer: Contributions from individuals are reported on Schedule A for Line 11(a)(i).



2. Can we accept Helen's contribution check as written? If not, what must the campaign do to remedy the situation?

Answer: No. Potentially, these could be joint contributions. However, since only Helen signed the $5,400 check, Helen has made an excessive contribution for the primary. To remedy this, the campaign can reattribute and/or redesignate the excessive portion of her contribution.

3. How should the committee disclose the transaction(s) that remedy the excessive contribution?

Reattribution:
Since Helen's contribution is drawn on a joint account, the campaign has the option of reattributing the excessive portion to the joint account holder, Morty Seinfeld. The campaign may presumptively reattribute the excessive portion ($2,700) to Morty for the primary election as long as it would not cause him to exceed his limits.

Report receipt: show reporting on Schedule A for Line 11(a)(i). Two separate entries:

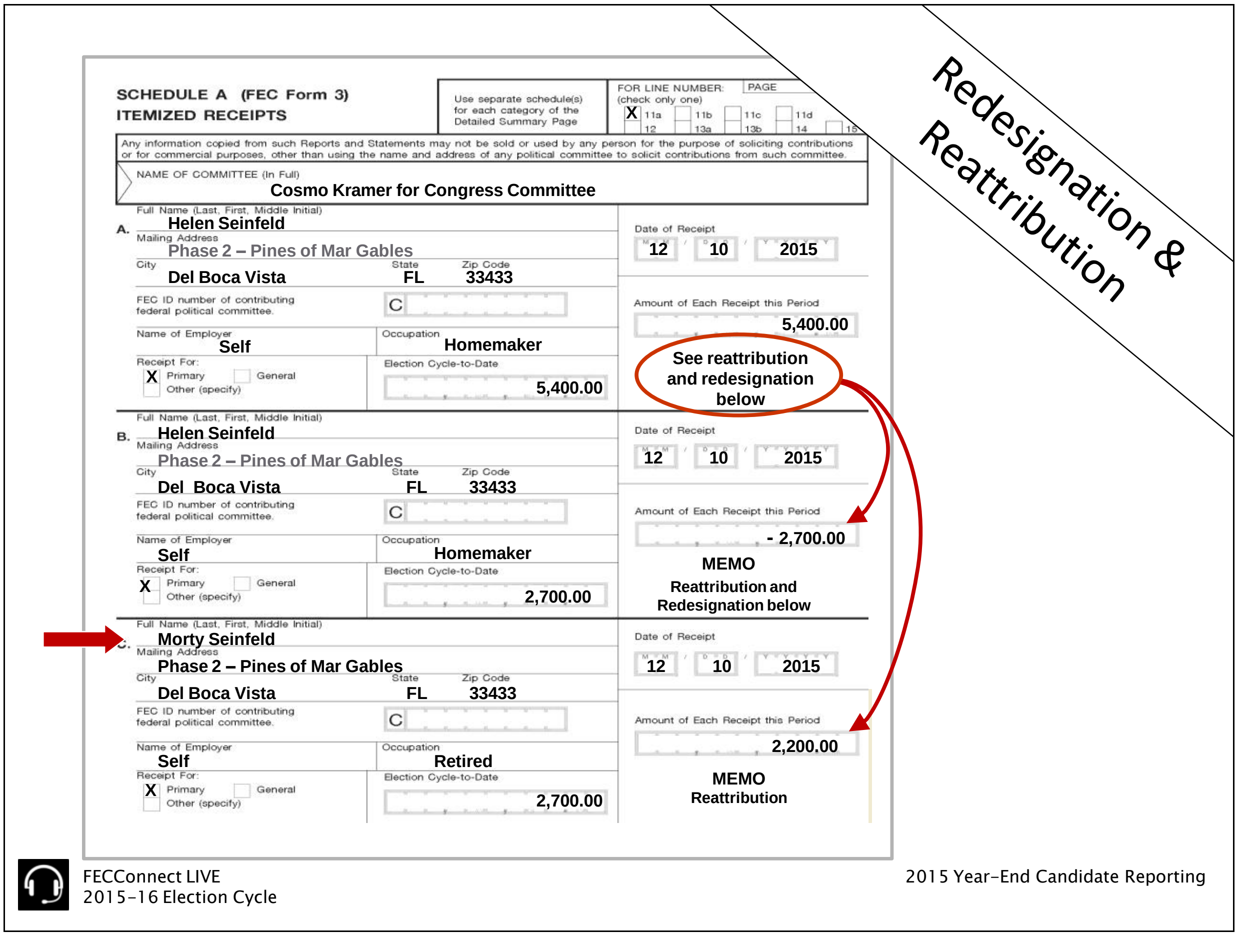
a. Show check as written: $5,400 contribution from Helen Seinfeld for primary; and
b. In a MEMO entry, subtract excessive amount of contribution: -$2,700 removed from Helen Seinfeld's primary contribution.

For both entries, include cross-reference notations: "reattribution and redesignation below."

In our scenario, Morty Seinfeld made a $500 contribution before the above check was written, so that attributing the full $2,700 to him for the primary would cause him to exceed his limit for that election by $500. Therefore, only $2,200 may be reattributed to Morty.

Report reattribution: show reporting on Schedule A for Line 11(a)(i). Show full $5,400 as primary contribution from Helen Seinfeld. Change attribution of excessive portion to Morty Seinfeld as MEMO entry and include notation in Amount of Each Receipt this Period box indicating, "reattribution." Please be sure to properly use MEMO entries to avoid inaccuracies in aggregation and cash on hand.

See Reporting Example on Next Page


SCHEDULE A (FEC Form 3) ITEMIZED RECEIPTS

Use separate schedule(s) for each category of the Detailed Summary Page

FOR LINE NUMBER: (check only one) X 11a | 11b | 11c | 11d | 12 | 13a | 13b | 14 | 15 — PAGE

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full): Cosmo Kramer for Congress Committee

A. Full Name (Last, First, Middle Initial): Helen Seinfeld
Mailing Address: Phase 2 – Pines of Mar Gables
City: Del Boca Vista State: FL Zip Code: 33433
FEC ID number of contributing federal political committee: C
Name of Employer: Self Occupation: Homemaker
Receipt For: X Primary General Other (specify)
Election Cycle-to-Date: 5,400.00
Date of Receipt: 12 10 2015
Amount of Each Receipt this Period: 5,400.00
See reattribution and redesignation below

B. Full Name (Last, First, Middle Initial): Helen Seinfeld
Mailing Address: Phase 2 – Pines of Mar Gables
City: Del Boca Vista State: FL Zip Code: 33433
FEC ID number of contributing federal political committee: C
Name of Employer: Self Occupation: Homemaker
Receipt For: X Primary General Other (specify)
Election Cycle-to-Date: 2,700.00
Date of Receipt: 12 10 2015
Amount of Each Receipt this Period: - 2,700.00
MEMO
Reattribution and Redesignation below

C. Full Name (Last, First, Middle Initial): Morty Seinfeld
Mailing Address: Phase 2 – Pines of Mar Gables
City: Del Boca Vista State: FL Zip Code: 33433
FEC ID number of contributing federal political committee: C
Name of Employer: Self Occupation: Retired
Receipt For: X Primary General Other (specify)
Election Cycle-to-Date: 2,700.00
Date of Receipt: 12 10 2015
Amount of Each Receipt this Period: 2,200.00
MEMO
Reattribution

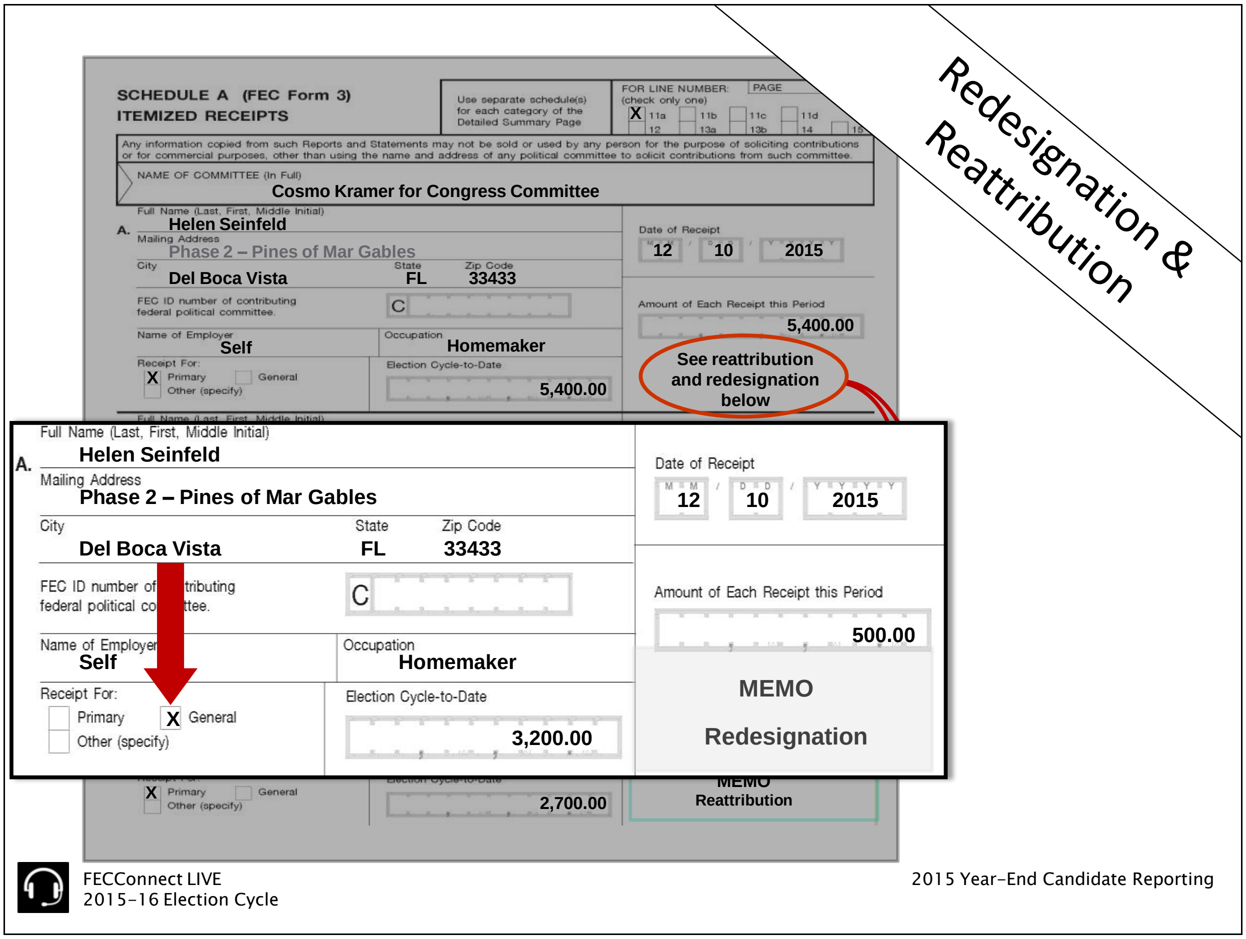
With the remaining $500, the campaign can presumptively redesignate the excessive $500 to the general election as a remedy.

Redesignation:
Campaign committees may also remedy an excessive contribution by applying the excessive portion to a future election. The campaign may presumptively redesignate the excessive portion to the general election as long as the contribution:

- Is made before the candidate's primary election;
- Is not designated;
- Would be excessive if treated as a primary election contribution; and
- As redesignated, does not cause the donor to exceed any other limits.

Helen Seinfeld has not yet made any general election contributions; therefore the campaign may presumptively redesignate either the full $2,700 excessive portion of primary contribution to the general, or the $500 that remains after the reattribution to Morty. To maximize the availability of funds for the primary, the campaign chooses the latter.

Report redesignation: show reporting on Schedule A for Line 11(a)(i) as a $500 contribution from Helen Seinfeld. Change designation to general as a MEMO entry and include notation in Amount of Each Receipt this Period box indicating, "redesignation."



4. Key issues:

- A presumptive reattribution is allowed even if only one signature is on the check. Ensure that the reattribution won't cause donors to exceed any limits (i.e., per election limits, biennial limit).
- A presumptive redesignation for the primary to the general election is allowed if the contribution is not designated for a particular election. For example, if Helen had written "primary" on the memo line of her check, a presumptive redesignation would not be allowed. The redesignation would need to be done the "old" way – with written authorization from contributor within 60 days of receipt BEFORE the redesignation could occur.
- Remember written notification to contributor(s) must be done within 60 days of receipt for presumptive reattributions and redesignations. The notification must also offer the contributor the option to receive a refund instead.

D. Scenario #4 -- Candidate Loan from Personal Funds (Guide, pp. 91; 108-109)

Candidate Loans from Personal Funds

- Acceptable sources
  - Assets
  - Income
  - Interest/Dividends
  - Bequests
- Unlimited amount
- Repayment and forgiveness options

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2015 Year-End Candidate Reporting

Candidate Loans from Personal Funds

- On which schedules should personal funds loans be reported?
  - Schedule A: Receipt of a loan
  - Schedule B: Loan repayments
  - Schedule C: Continuously reporting loans until they are fully paid or forgiven

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

Scenario #4 − Candidate Loan from Personal Funds (Guide, pp. 91; 108-109)

On January 10, 2015, Candidate Arthur Fonzarelli generously dips into his “rainy-day” savings account and contributes $50,000 to his principal campaign committee to give himself a head start in his 2016 campaign. He indicates, however, that once money from other contributors comes in, he wishes to be paid back in full by December 31, 2016. He indicates that he does not intend to charge the committee any interest.

1. **How should the committee disclose the transaction(s)? Since he treated it as a loan, does it need to be disclosed as a contribution as well?**

2. **How should the committee show a repayment on March 15th of $5,000 towards a personal funds loan?**

3. **How should the committee show the forgiveness of a personal funds loan by the candidate?**

Scenario #4 Answers:

1. **How should the committee disclose the transaction(s)? Since he treated it as a loan, does it need to be disclosed as a contribution as well?**

   Answer: The definition of contribution includes loans, so it must be treated as such; but, as a loan, there are additional reporting requirements. Since it came from the candidate, no contribution limit applies.

   The funds are disclosed as a loan from the candidate to the campaign committee. Also, since the candidate is treating this contribution as a loan, the committee must disclose the terms of the loan from the first time it is disclosed.

   Report loan as contribution: Show reporting on Schedule A for Line 13(a). The Date of Receipt is the date the money is received by the campaign committee; include notation in Receipt this Period box indicating "personal funds."

Scenario #4: Candidate Loans (Personal Funds)

Receipt - Schedule A, Line 13(a)

SCHEDULE A (FEC Form 3)
ITEMIZED RECEIPTS

Use separate schedule(s) for each category of the Detailed Summary Page

FOR LINE NUMBER: (check only one) PAGE OF

☐ 11a ☐ 11b ☐ 11c ☐ 11d
☐ 12 X 13a ☐ 13b ☐ 14 ☐ 15

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NAME OF COMMITTEE (In Full)
Arthur Fonzarelli for Congress

A. Full Name (Last, First, Middle Initial)
Arthur Fonzarelli– [Personal Funds]

Mailing Address
709 Main Street

City **Anytown** State **US** Zip Code **12345**

FEC ID number of contributing federal political committee. C

Name of Employer **Self** Occupation **Attorney**

Receipt For: X Primary ☐ General ☐ Other (specify) **2016**

Election Cycle-to-Date **50,000.00**

Date of Receipt M M / D D / Y Y Y Y **01** / **10** / **2015**

Amount of Each Receipt this Period **50,000.00**

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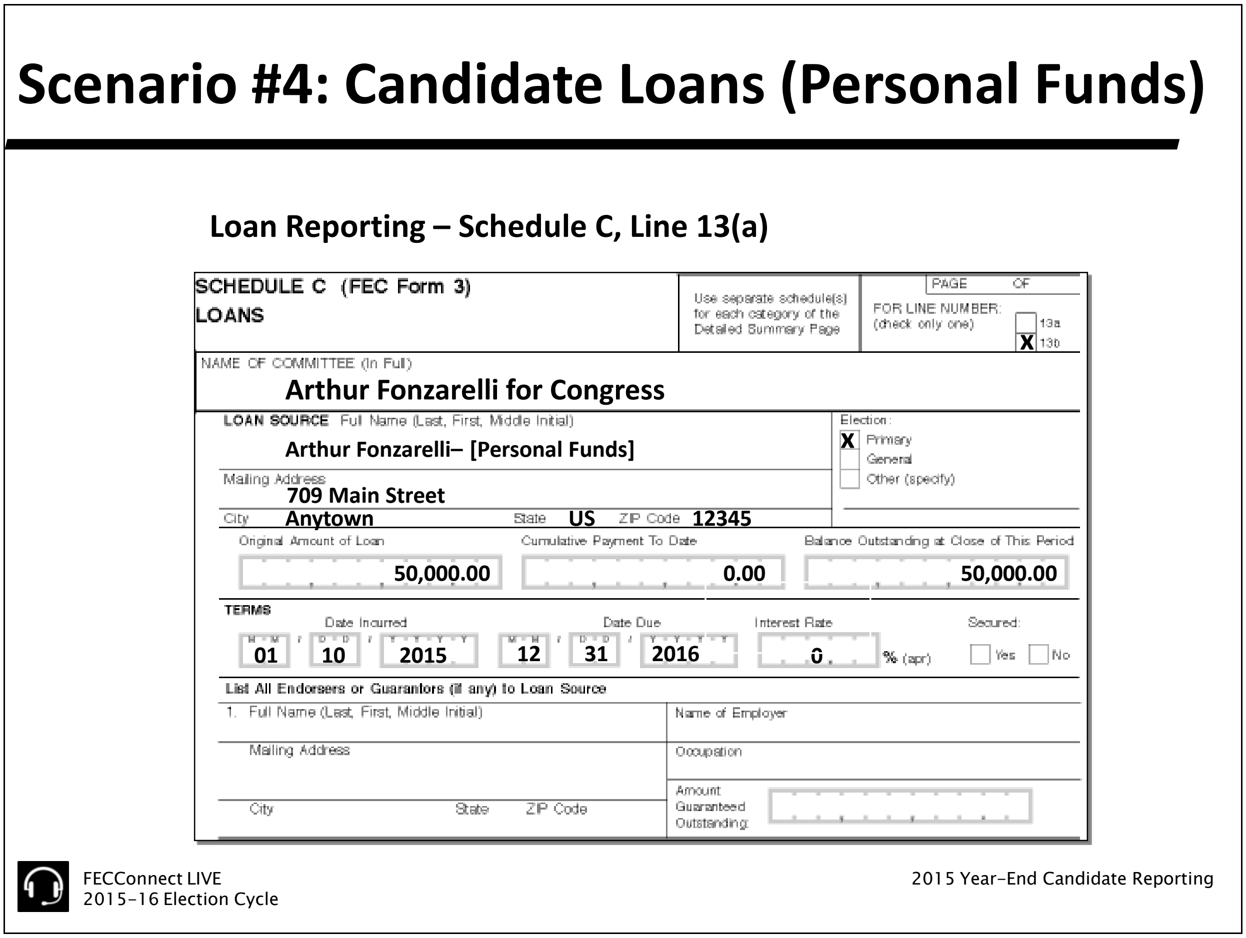
2015–16 Election Cycle

2015 Year–End Candidate Reporting

Report terms of the loan: Show reporting on Schedule C for Line 13(a). The Loan Source is the candidate. Also include notation indicating “personal funds.”



2. **How should the committee show a repayment on March 15th of $5,000 towards a personal funds loan?**

Answer: Show the total amount repaid by the committee to the candidate in the “Cumulative Payment To Date” field. The “Balance Outstanding at Close of This Period” should show only the remaining portion of the outstanding loan (“Original Amount of Loan” – “Cumulative Payment to Date” = “Balance Outstanding at Close of This Period”).

- For candidate loans, repayments of the loan principal should be reported on Line 19(a) (“Repayments of Loans Made or Guaranteed by the Candidate”) of the Detailed Summary Page.
- If the candidate charges interest on personal funds loan, interest payments reported on Schedule B supporting Line 17 (“Operating Expenditures”) of the Detailed Summary Page.
  - Interest incurred but not paid should be disclosed on Schedule D.
  - Non-candidate loans made to the committee by a financial institution should be reported on Line 19(b) (“Repayments of All Other Loans”) of the Detailed Summary Page.

Reporting Example Continues on Next Page

Scenario #4: Candidate Loans (Personal Funds)

Loan Repayment – Schedule B, Line 19(a)

SCHEDULE B (FEC Form 3)
ITEMIZED DISBURSEMENTS

Use separate schedule(s) for each category of the Detailed Summary Page

FOR LINE NUMBER: (check only one) PAGE OF
17 | 18 | X 19a | 19b | 20a | 20b | 20c | 21

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NAME OF COMMITTEE (In Full)
Arthur Fonzarelli for Congress

A. Full Name (Last, First, Middle Initial)
Arthur Fonzarelli [Personal Funds]

Mailing Address
709 Main Street

City: Anytown State: US Zip Code: 12345

Purpose of Disbursement
Candidate Loan Payment

Candidate Name

Category/Type

Office Sought: House / Senate / President
State: District:

Disbursement For: X Primary / General / Other (specify)
2016

Date of Disbursement
03 / 15 / 2015

Amount of Each Disbursement this Period
5,000.00

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2015-16 Election Cycle

2015 Year-End Candidate Reporting

Scenario #4: Candidate Loans (Personal Funds)

Loan Repayment – Schedule C, Line 13(a)

SCHEDULE C (FEC Form 3)
LOANS

Use separate schedule(s) for each category of the Detailed Summary Page

PAGE OF
FOR LINE NUMBER: (check only one) 13a / X 13b

NAME OF COMMITTEE (In Full)
Arthur Fonzarelli for Congress

LOAN SOURCE Full Name (Last, First, Middle Initial)
Arthur Fonzarelli [Personal Funds]

Mailing Address
709 Main Street

City: Anytown State: US ZIP: 12345

Election: Primary / X General / Other (specify)

Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
50,000.00	5,000.00	45,000.00

TERMS

Date Incurred: 01 / 10 / 2015
Date Due: 12 / 31 / 2016
Interest Rate: 0 % (apr)
Secured: Yes / No

List All Endorsers or Guarantors (if any) to Loan Source

1. Full Name (Last, First, Middle Initial) — Name of Employer

Mailing Address — Occupation

City State ZIP Code — Amount Guaranteed Outstanding:

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2015-16 Election Cycle

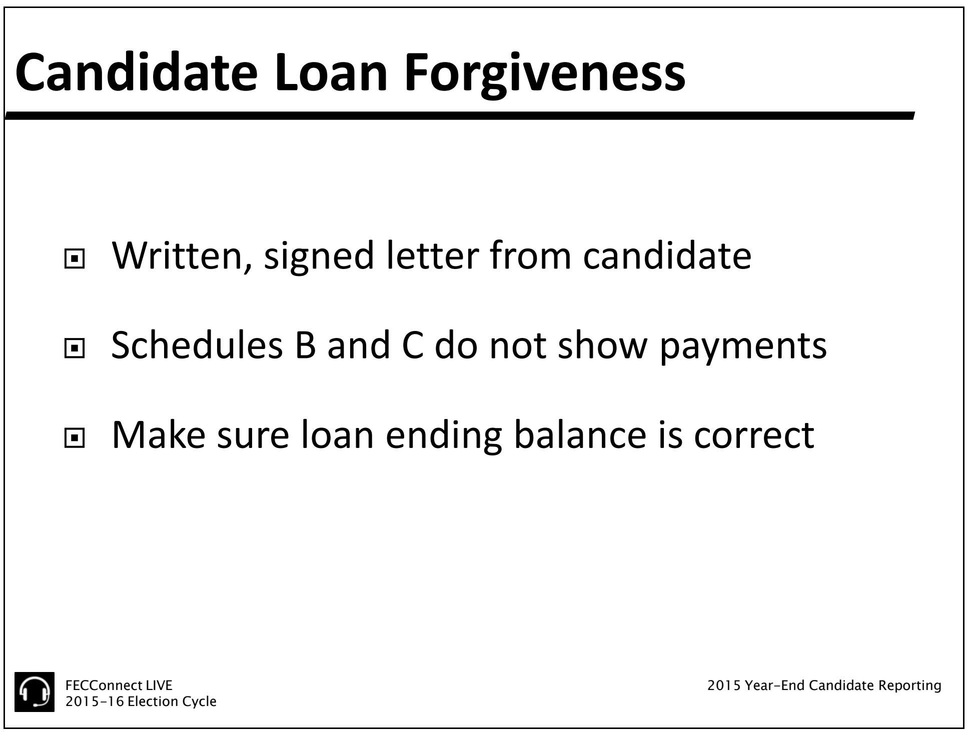
2015 Year-End Candidate Reporting

3. How should the committee show the forgiveness of a personal funds loan by the candidate?

Answer: Report candidate forgiveness of the loan: Show reporting on Schedule C for Line 13(a). The "Balance Outstanding at Close of This Period" should be $0. (Do not include the forgiven loan balance into the total of "Cumulative Payment To Date," since the money was not actually repaid.)

For electronic filers: Please include Memo Text with your report stating that the candidate forgave the loan.

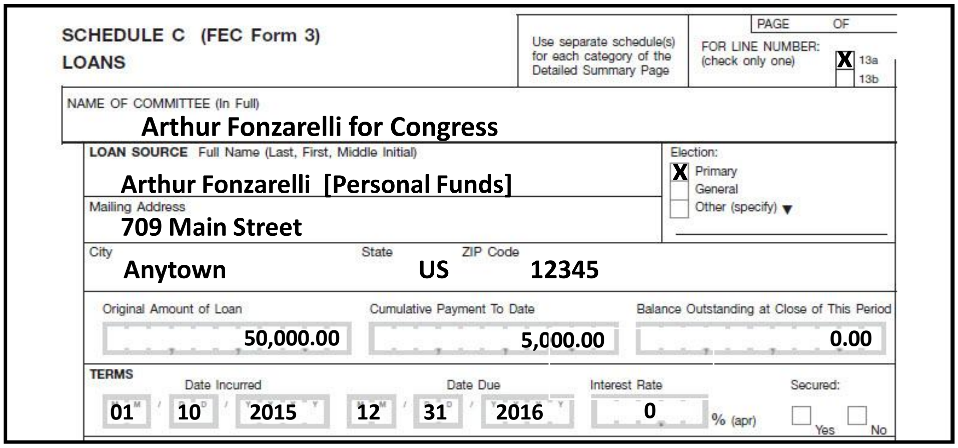
For all filers: When the candidate forgives a loan, the committee should file <u>a letter signed by the candidate</u> stating that the loan is forgiven. (Please note that this requirement applies to paper and electronic filers alike. Memo text at the end of an electronically filed report stating that the candidate forgave the loan will not be accepted in lieu of the letter.)



See Reporting Example on Next Page

Scenario #4: Candidate Loan (Personal Funds)

Loan Forgiveness – Schedule C, Line 13(a)


SCHEDULE C (FEC Form 3)
LOANS

Use separate schedule(s) for each category of the Detailed Summary Page

PAGE OF

FOR LINE NUMBER: (check only one) X 13a 13b

NAME OF COMMITTEE (In Full): Arthur Fonzarelli for Congress

LOAN SOURCE Full Name (Last, First, Middle Initial): Arthur Fonzarelli [Personal Funds]

Election: X Primary General Other (specify)

Mailing Address: 709 Main Street

City: Anytown State: US ZIP Code: 12345

Original Amount of Loan: 50,000.00
Cumulative Payment To Date: 5,000.00
Balance Outstanding at Close of This Period: 0.00

TERMS
Date Incurred: 01 / 10 / 2015
Date Due: 12 / 31 / 2016
Interest Rate: 0 % (apr)
Secured: Yes No

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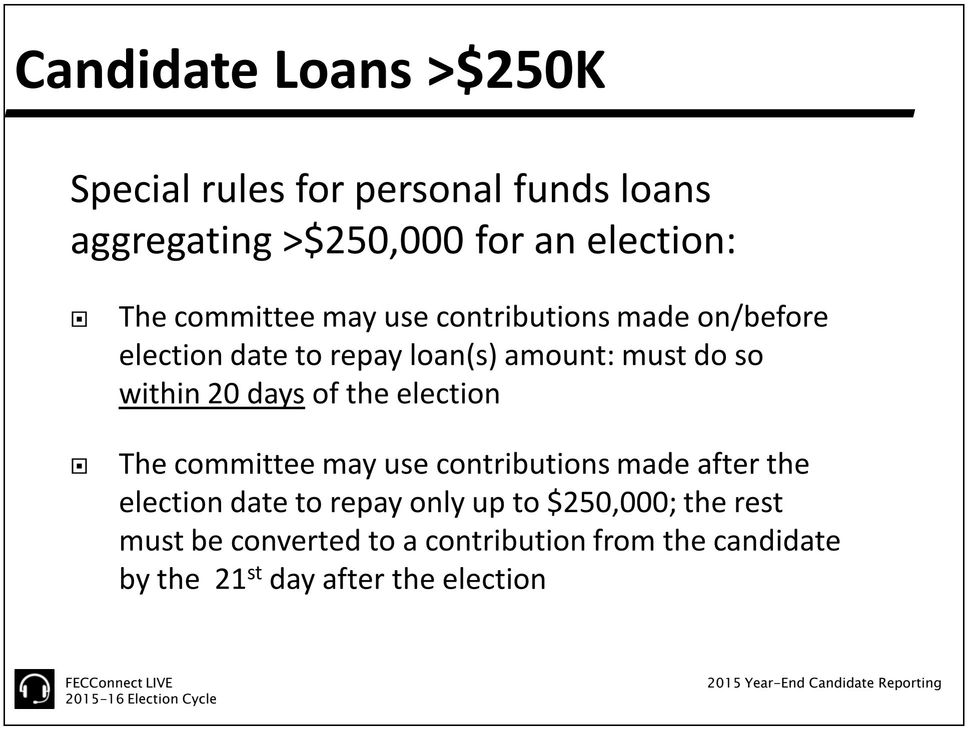
2015-16 Election Cycle

2015 Year-End Candidate Reporting

4. Key issues:

- If the candidate wants to be paid back, be sure to report the receipt as a loan on both Schedule A, Line 13(a) and on Schedule C as an outstanding obligation when the loan is incurred. The loan should be continuously disclosed on Schedule C on subsequent reports until the loan is paid off or forgiven.
- Do not forget loan terms. Terms of a loan from the candidate’s personal funds (no lending institution involved) may be more flexible. If there are no terms, do not leave boxes blank, enter “none” or “n/a.”
- Include notations on both Schedules A & C indicating “personal funds.” When the candidate forgives a loan, the committee should file a letter signed by the candidate stating that the loan is forgiven – for both paper and electronic filers.



Repaying Candidate Loans Aggregating Over $250,000 after an Election:

There are special rules concerning the repayment of personal loans from the candidate (including advances or candidate endorsed bank loans) that aggregate more than $250,000 with respect to a given election. The following rules apply:

- The committee may use contributions to repay the candidate for the entire amount of the loan or loans only if those contributions were made on or before the day of the applicable election; and
- The committee may use contributions to repay the candidate only up to $250,000 from contributions made after the date of the applicable election.
- If the committee uses the amount of cash-on-hand as of the date of the election to repay the candidate for loans in excess of $250,000, then it must do so within 20 days of the election. During that time, the committee must treat the portion of candidate loans that exceed $250,000, minus the amount of cash-on-hand as of the day after the election as a contribution by the candidate (11 CFR 116.11(c), Advisory Opinion 2003-30).

VI. FEC Resources

FEC Resources

- Website: www.fec.gov ; see Reports Analysis FAQs at http://www.fec.gov/rad/index.shtml
- Toll-free Information Line: (800) 424-9530
- Email questions to info@fec.gov
- Educational Outreach:
  - Conferences/Seminars (email: conferences@fec.gov)
  - Roundtable Workshops &Webinars
  - E-Learning at fec.gov/info/elearning.shtml

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2015 Year-End Candidate Reporting

Roundtable Evaluation

Help Us Help You!

Please complete an evaluation of this webinar.

https://www.surveymonkey.com/r/X57NX6R

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